

Agenda Item	5
Report No	RDB-10-23

HIGHLAND COUNCIL

Committee: Redesign Board

Date: 30 August 2023

Report Title: Redesign of Highland Council – Work Programme Update

Report By: Interim Depute Chief Executive

1 Purpose/Executive Summary

1.1 This report highlights the ongoing importance of the work of the Redesign Board with the Council's priorities, in particular as set out in the approved report to 2 March 2023 Council ['Our Future Highland- Budget Strategy 2023/24'](#).

The report updates the Redesign Board on the current Work Programme, comprising major projects and a programme of Lean/Rapid Reviews.

2 Recommendations

2.1 Members are asked to:-

- i) **Note** the Work Programme Update; and
- ii) **Note** the proposed series of Redesign Board Workshops to be scheduled for 2023.

3 Implications

3.1 **Resource:** There are no direct resource implications arising from this report. Project Sponsors manage the resource commitments required for the successful delivery of their projects from a corporate perspective, ensuring targeted deployment of resource for the effective redesign of Council services in line with the Council's priorities.

3.2 **Legal:** There are no direct legal implications arising from this report. Project Sponsors seek legal advice and take appropriate action as required in respect of their projects.

3.3 **Community (Equality, Poverty and Rural):** Impact assessments, informed by engagement with key stakeholders including partners and communities, are undertaken to evaluate proposals and decisions.

3.4 **Climate Change / Carbon Clever:** There are no direct Climate Change / Carbon Clever implications arising from this report. All Redesign projects proactively make linkages to the Council's Net Zero Strategy.

- 3.5 **Risk:** All Redesign projects comply with Corporate and Transformation PMO standards in respect of proactive risk management as a key discipline in the controlled and managed delivery of the work. Importantly, the Redesign Board work programme and activity of the Board directly contributes to the risk response to of the Corporate Risk in respect of Financial Sustainability (CR1).
- 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** There are no direct Health and Safety implications arising from this report. Project Sponsors will consider any specific relevant Health and Safety implications as part of the management and delivery of their projects.
- 3.7 **Gaelic:** There are no specific Gaelic implications arising from this report. All projects will ensure the Council's bilingual policy is appropriately applied.

4. Programme Delivery – Update on Staffing Structure

- 4.1 The Work Programme Update report taken to the meeting of the Redesign Board on 30 March 2023 referred to [‘Our Future Highland - Budget Strategy 2023/24’](#) which sets out the context and related financial challenges faced by the Council. This re-emphasised the remit of the Redesign Board and the importance of delivering a portfolio of programmes and projects as a key part of the Council's response to the financial challenges.
- 4.2 Since the May 2023 meeting of the Redesign Board, a review of the team structures within the Depute Chief Executive (DCE) Service has been carried out. By bringing together the ICT Services and Transformation teams within the DCE Service and redesigning how the functions are delivered, combined staffing savings of £307k have been delivered this financial year. This combined function now sits under the remit of the Head of ICT and Digital. Savings have been achieved by removing some vacant posts and realigning posts to the existing management structure.
- 4.3 This restructure will deliver direct savings but is mainly driven by a service review aimed at creating a sustainable long-term structure to meet the needs of the Council. Bringing together the separate ICT and Transformation project management teams will lead to greater standardisation and efficiencies in the running and reporting on projects. It also means that a digital approach can be applied across all major projects in line with the Council's Digital Strategy.
- 4.4 A review of the portfolio of work undertaken by the teams has been carried out, resulting in some rationalisation of the portfolio and realignment of resources. The former Change and Improvement Board, chaired by the Chief Executive, has been renamed as the Strategic Improvement Board and the format has been updated to concentrate on where the executive leadership can provide the greatest impact in directing the portfolio of strategic change programmes and projects. This will enable resources to be focussed on the activities that will deliver the greatest benefits.

5 Major Redesign Projects Update

- 5.1 The four major Redesign Projects that come under the remit of the Redesign Board are as follows:-
- Asset Management (see section 5.2);
 - Roads (see section 5.3);
 - In-House Bus Operation (see section 5.4); and

- My Council (see section 5.5)

5.2 Asset Management

- 5.2.1 This project seeks to deliver improvements in the Council's Built Estate by reviewing the use of General Fund properties to reduce the number of assets and deliver ongoing revenue savings through lower operating costs, while continuing to meet corporate objectives and service delivery requirements. It should be noted that Housing Revenue Account Properties and the School Estate are not included in the scope of the project, although there are other workstreams underway, such as the future use of former schoolhouses.
- 5.2.2 The report on the 2023/24 revenue and capital budgets that was approved at the Council meeting on 2 March 2023 reiterated the need to reduce the Council's asset base and energy usage, develop wider projects such as depot rationalisation, and work with public sector partners to support co-location.

All future proposals will continue to be based around the position agreed by the Redesign Board in November 2022 that the Council would focus on retaining 5 key buildings (Headquarters, Inverness; County Buildings, Dingwall; Caithness House, Wick; Charles Kennedy House, Fort William; and Tigh-na-Sgìre, Portree). The intention is to develop Place-Based masterplans for all settlements and/or areas to inform decisions on which buildings to retain or dispose of, ensure the most cost effective and efficient use of these properties, and to help identify opportunities for potential co-location with other partners.

Discussions are ongoing with senior management regarding the staff resources that will be required in the Asset Management and HR teams to maintain the progress to date on Asset Rationalisation and New Ways of Working and to continue to deliver revenue savings in the future.

- 5.2.3 The Redesign Board Members assigned to this Project are Cllrs Calum Munro and Marianne Hutchison and regular liaison meetings will be set up.

5.2.4 Inverness Offices/Headquarters

Following the relocation of Council staff from the Town House to Headquarters by the end of March 2023, the project team has continued to work on relocating staff internally at HQ to co-locate service teams and create service zones to accommodate the planned relocation of other teams. The next steps include Team Manager workshops to embed hybrid working, identify possible changes to office areas to create more flexible workspaces, and consider adaptations to the HQ buildings to improve the reception arrangements and create multi-functional training space and staff welfare areas.

5.2.5 Old Building, Headquarters

The feasibility work carried out to date on the potential conversion of the original stone building at HQ into residential units has concluded that the cost of the work involved may result in this not being a financially viable project. It is therefore proposed that alternative options for the future use of the building should be considered in parallel with the completion of the feasibility study. These would include disposal on the open market, marketing for lease, and reconsidering the decision to cease to use the building as office space. The latter option would need to be considered as part of an appraisal of the entire HQ site, taking into account the annual running costs of each building and the capital and maintenance investment likely to be required in the future.

A separate report providing more detail is on the agenda this meeting of the Board.

5.2.6 **Trading Standards Office, Harbour Road**

Various options have been appraised and concluded that this building should be retained for the medium term. This approach will also support the early disposal of other properties. Some of the functions delivered from this property are being considered as part of the Depot Review workstream and any longer-term requirement to retain this building would be dependent on the timescale for a potential new Super Depot in Inverness.

5.2.7 Further work and engagement regarding other properties in the Inverness area has continued as follows:

- **Culcabock Child Guidance Centre:** A feasibility study on improvements to the former Merkinch Family Centre building to accommodate staff currently based at Culcabock is nearing completion. Alternative options for locating these staff are also being considered as well as other potential uses for the building.
- **Criminal Justice Services, Culduthel:** Having considered various options, the conclusion is that the retention of this building represents the best option for service delivery requirements.
- **Dochfour Drive Accommodation:** Engagement with service teams has continued and options for relocation to either HQ or the Trading Standards building have been agreed. The actual location of the teams moving to HQ will be dependent on the future use of the Old Building as outlined earlier in this report. The target is to fully vacate these buildings and take forward a project for demolition this financial year.
- **Offices at 4 Castle Wynd:** The Property teams have relocated to HQ and the Climate Change and Energy team are programmed to move out and fully vacate the building in September.

5.2.8 **Council Depots**

This workstream is focussed on improving the depot and stores facilities by identifying opportunities for rationalisation based on regional needs and best use of the available estate.

An in-house Architect was assigned to the project in June to help with the briefing and design process for the super depot model using the summarised accommodation site profiles for the Inverness and Dingwall & Seaforth areas as an initial basis. Site visits were also undertaken to provide a clear view on the current situation of the depots and how they operate. A proposed layout is being developed which will then be taken to the Service Managers for further discussions.

A group of Council Officers visited the West Lothian Super Depot in July to gain valuable insight into how a super depot was developed and how it has benefited the Council's operational services, its employees and the Community, long with the lessons that have been learned from the project.

At the last Depot Super Depot Project Board meeting, it was agreed that further surveys will be undertaken for the additional sites identified. This will allow the Council to reach a decision on what investment/dis-investment is required.

A total of 22 sites have been identified that could potentially be disposed of. These will require further discussions with the owning Service to establish that they are surplus to operational requirements. Two sites have been declared surplus to requirement so far:

the Craigwood Store at Avoch and the Whinhill Quarry Sub Depot at Rosemarkie, and the disposal process for both has commenced.

5.2.9 Other Main Workstreams

Portree Place Demonstrator Project

The Council have been awarded a grant of £800,000 from the Scottish Government's Place Based Investment Programme (PBIP) supplemented by a further £100,000 each from Highland Council and Highlands and Islands Enterprise (HIE). The PBIP aims to link and align place-based funding initiatives and ensure that all place-based investments are shaped by the needs and aspirations of local communities. A project team has been assembled to take forward the project in two phases as outlined below, and a Project Board has been established with representatives from HIE and other potential partners.

- **Phase 1:** Preparation of a Strategic Masterplan and Concept Design based on a longer-term investment programme to be delivered in a phased manner, and that could be the subject of further bids to the PBIP or other external funding opportunities.
- **Phase 2:** Delivery of a capital project within the available funding, possibly as a first phase of investment in line with the Strategic Masterplan.

A project brief has been prepared that sets out the proposed Strategic Masterplan and a sequence of works for the planned capital investment project. This is due to be discussed at the Project Board meeting later this month prior to wider stakeholder engagement taking place.

Dingwall Properties

Several meetings have taken place with Ward Members to discuss an approach based on increased utilisation of the County Buildings and to consider options for the other buildings in Dingwall with a view to developing a Dingwall-wide masterplan. The engagement with Ward Members has identified the need to vacate the "Portakabin" building opposite the County Buildings as the immediate priority, and this is on course to be completed by the end of August. Further engagement with Ward Members on potential options for the wider approach will take place in due course.

Nairn Finance Office

The scope has been agreed with Ward Members and minor improvement works to the Courthouse building are being procured. The building is programmed to be vacated by the end of December.

5.3 Roads

5.3.1 The Project Brief was approved at the [18 February 2022 Redesign Board](#), and from this, the summary purpose and objectives of the Project are as follows:-

- **Purpose:** to redesign the service to modernise it and ensure efficient processes are in place. This is to identify improvements for the effective and sustainable delivery of all Engineering and Roads Operations. It is fundamental to the delivery of professional, quality services that continue to deliver value for money and meet the needs of all of those who use them. As last reported in May 2023, the Project is currently focusing on LEAN reviews to suggest improvement. Reports with recommendations have been finalised for Temporary and Permanent Traffic Regulation Orders as well as for Compensation Claims and are awaiting senior management approval. The review of identified areas for the Road Construction Consents process is ongoing.

- **Objectives: -**
 - Improved Road Condition and Strategic Roads and Asset Management Plan.
 - A more responsive service and improved communication with our stakeholders.
 - A more efficient use of resources and value for money.
 - Improving cross functional and service collaboration. Using Lean to improve service delivery.
 - Leveraging partnerships to improve our value proposition.

5.3.2 Redesign Board Members assigned to this Project are Cllrs Raymond Bremner, Russell Jones and Trish Robertson.

5.3.3 The key purpose of the project is to redesign and modernise the engineering and roads operations – a substantial task which requires the collation of information relating to current operations and comparison with other authorities. The aim is to bring this work together towards the end of 2023 to enable an in-depth review. At the same time, smaller scale process improvements, as covered below, are ongoing as a result of LEAN reviews.

Compensation Claim records from April 2023 are now being collated on SharePoint and reports are automatically generated every three months. With the priority Customer Applications process reviews concluded, the team has moved on to focus on the next projects: Budget Distribution, Road Construction Consent and the Events, Marches and Parades policy. Additional policy reviews will also continue, with an update to the Structures Inspection policy planned to be presented at November committee.

5.3.4 As the project continues, below are the expected next phases:

- Continuation of information gathering and comparison with other Roads Authorities.
- Continuation of the road construction consent process improvement project
- Initiation of investigation work on alternatives to the current methodology used for the Roads Budget Distribution formula.
- Continue policy revisions, including one for Events, Marches and Parades.
- Review opportunities for how operational based functions are managed.

5.4 In-House Bus Operation

5.4.1 This is being progressed through two separate projects with the following purpose:

- To pilot an in-house bus operation to deliver passenger and school transport services at a lower cost to that offered by commercial contractors; and
- To develop the recommendations made by the TAS Partnership in a review of school transport arrangements, including the procurement of a specialist transport management software system.

A separate report covering proposed changes relating to school transport entitlement, is presented to this meeting of the Redesign Board.

5.4.2 The Redesign Board Members assigned to this Project are Cllrs Bill Lobban, Alasdair Christie and Michael Green.

5.4.3 In-House Bus Operation

At the May 2023 Redesign Board, Members were advised that the Project Team felt that the project is well enough established to begin considering extra work for the vehicles. The Project Team have continued to identify opportunities to utilise the fleet out with the regular service and have supported with events such as the Highland Cross and the Black Isle Show. After the summer break, the team are beginning to offer transport to primary schools for their swimming trips to Inverness Leisure. This will provide additional cost avoidance to Highland Council as these trips are currently operated by commercial bus companies as private hires. Several schools have already taken up this offer.

The Project Team have identified an additional school contract to be taken in-house and are in discussion with the Public Transport Team to progress. Taking this contract in-house has the potential to provide an additional cost avoidance of around £150k annually versus the current tendered rate.

Health & Safety and Fire Safety audits have been carried out on the operating centre at Cromwell Road, Inverness, where several improvement opportunities were identified. Risk assessments are being worked through and improvements implemented following the review. A date has been set for the installation of electricity and internet access at the operating centre.

Highland Council Buses have also been supporting the DVSA by providing one of the vehicles from the fleet to support Inspector Training courses throughout July. Four members of the in-house team have taken this opportunity to visit the DVSA yard in Inverness to understand more about the role of Inspectors.

Andy Gilbert (Project Officer) has successfully qualified as a Transport Manager having gained the Certificate of Professional Competence in Passenger Transport.

Positive feedback is still being received from members of the community and awareness of the services offered increasing with the Facebook page now reaching over 1000 followers.

5.4.4 **TAS Recommendations**

Following engagement with several suppliers and, in considering the information gathered through the publishing of a Request for Information on Public Contracts Scotland, work continues to develop a Specification of Requirements and subsequent tender pack for the specialist transport management software.

The stakeholder group, including the Strategic Improvement Team, has expanded the preparation work required for the software procurement into a wider process review of the Service. This will ensure a best fit between the software procured and the working methods employed, including efficiency gains enabling more proactive monitoring of transport contracts and capacity to introduce innovative solutions. The improvements made in this review will ensure minimal disruption to the Service during the migration to the new system and will work to guarantee that the software meets the required functionality, and best value for the Council.

Since the last Redesign Board update, an implementation plan with revised timescales has been agreed and engagement workshops carried out with the Passenger Transport Unit (PTU). Over the next period, it is expected that the Tender Pack will be completed and published, with the aim of awarding a contract in November. The transport management solution is expected to be live in Spring 2024.

The Passenger Transport Unit continue to develop the other recommendations outlined in the TAS Review including a continuation of work with the Education & Learning Service to identify potential opportunities to improve service delivery and a Service Level Agreement (SLA) has been drafted to support this. It is expected that the Services will come to formal agreement on the SLA over the next reporting period. The PTU are reviewing the Home to School Transport Policy and have provided some recommendations for updates to the Redesign Board in a separate report, with the aim of this going to the Infrastructure & Economy Committee in November. A Redesign Workshop is being planned to explore the changes to Policy.

In order to effectively explore and address some of the challenges and potentials of the Under 22 Pass for school transport services and to determine operating procedures, a pilot project has been established with two secondary schools and is in the planning stages. The pilot hopes to explore the potential of moving to a system whereby any pupil travelling on a public transport route to a secondary school would be encouraged to do so via their Under 22 Bus Pass. Applications to the Council would then only be required for pupils where there is no public transport available, where specific needs for ASN to be addressed, or where parents are unwilling to apply for an under-22 pass for their child. As children get familiar with using the Under 22 pass to travel to and from school, this will encourage public transport use at other times, increasing the income to operators and helping to sustain or expand public transport routes across Highland. It is also expected that this project will support a greater uptake of the U22 pass generally within Highland. Following initial engagement with one of the two pilot schools, various practical issues for the implementation of a pilot have been identified. These are expected to be resolvable and will be considered before implementation of the pilot. Discussions will recommence following the new school year.

Whilst there is dedicated resource available to develop and implement the TAS Project until 31st March 2024, there is a significant amount of outstanding activity on this project. Pilot projects for Independent Travel Training and Active Travel Alternatives are not planned to commence until the summer school term (12th April 2024 onward) where dedicated resource will no longer be in place. Resource must also be available from the Education & Learning Service to support the development of the pilots. Furthermore, with the software solution's target go live date of the 1st of March 2024, this leaves limited resource to support the transition after the first month of activity. Sufficient resource must be in place to support the migration of data from the current spreadsheet network into the new system. Supplier involvement in this task will be included as part of evaluation process. Complexity and time taken for this task is currently unknown, but it will require resource and support from the PTU.

5.5 My Council

5.5.1 The Programme Brief was approved at the 28 November 2022 Redesign Board, and from this, the summary purpose and objectives of the Programme are as follows:-

- **Purpose:** To review, improve and create a joined-up customer contact experience at the Highland Council, including the opportunities to further utilise digital approaches to support improved outcomes for our citizens, our staff, and the Council. By developing the use of technology, resources are released to better support customers who need it the most.

This programme aims to put the citizen at the centre of customer engagement at the Highland Council, to improve our process and approach for all contact methods (digital, telephony, face to face) and to provide a seamless customer experience. This is not only limited to initial customer contact but the end-to-end service delivery meaning we

look holistically at the processes that support the delivery of services initiated by customer contact.

The programme is being managed through 4 core projects:

- **Project 1** - Customer Contact Strategy
- **Project 2** - Data-led and Customer-informed Business Intelligence
- **Project 3** - End-to-end Customer Journey
- **Project 4** - Customer Contact Methods

5.5.2 The Redesign Board Members assigned to this Project are Cllrs Maxine Smith, Jackie Hendry and Bill Boyd.

5.5.3 Overall, the My Council programme is progressing well and there have been a number of significant developments since the last Programme Board Meeting in May 2023.

5.5.4 The development of detailed workplans for all projects was reported as upcoming activity to both the previous Programme Board (17th May 2023) and Redesign Board (30th May 2023). Detailed workplans have now been developed for all four of the My Council Programme projects, and this has led to the development of the high-level timeline highlighting the key project dates which was considered at the My Council Board meeting on 24 August.

The high-level timeline indicates the breadth, diversity, and complexity of the current and planned work across the My Council Programme. This also highlights the requirement for a strong programme management approach to be maintained in order to achieve the deliverables and benefits.

5.5.5 During this last reporting period, the telephony strand of Project 4 has commenced with the new cloud-based telephony solution. Stakeholder engagement and communications to the wider organisation have taken place, with the launch being scheduled to begin from September and the roll out will run until August 2024. There are specific benefits for the whole Council in the move to this new system but there are also specific benefits to the customer facing Contact Centre of this development including:

- A centralised one council telephony system making it easier for council officers to be contacted
- Enhanced reporting facilities to review and manage performance at a more granular level
- Enhanced call management facilities i.e. call back function
- Opportunities for 'omni-channel' contact management (calls, webchat, email) improving resource management

In addition, work to understand the Highland Council's options for the website has been undertaken, with an options appraisal, with a preferred option, presented to the Programme Board on 24th August 2023. This is being developed in tandem with a website content audit to review the information the website is holding along with the customer usage, to understand how and what our customers are accessing on the website.

5.5.6 The Redesign Board held on 30th May 2023 indicated that work was required to understand the delivery of equitable accessibility for all. A staff orientated customer survey has been launched to understand our own staff views and is a learning opportunity preceding any targeted public engagement. Early results from a small sample indicate the consensus that online contact methods are preferred by the majority but (as highlighted at

the last Redesign Board) there is a significant minority that prefer/require to contact through other methods.

In addition, the My Council Board considered a draft Customer Charter which will comprise part of the Council's new Customer Contact strategy. This has been developed in line with best practice and based on stakeholder engagement. The next step following Board feedback is to seek targeted stakeholder engagement to ensure that Charter reflects broader customer needs.

6 Redesign Board Workshops

6.1 Redesign Board Workshops present the opportunity for Member input and consideration of particular areas of service delivery, business opportunities and problems. Workshop outputs will inform actions to be taken to deliver the desired outcomes and benefits, such as the initiation of feasibility and business case work, and the initiation of projects.

The following sections outline the currently proposed Redesign Board Workshops for the rest of 2023.

6.1.1 Roads

A Roads Redesign workshop will be held to discuss options for redesign and modernisation of the engineering and roads operations. This will take place after the Roads Redesign Team have investigated and analysed options as referred to in paragraph 5.3.2. The workshop will present Members with the opportunity to discuss findings and agree an updated approach to be used. The current expectation from the team is to schedule the workshop towards the end of 2023.

6.1.2 Asset Management

As agreed at 28 November 2022 Redesign Board, this Workshop will consider options for the delivery of the functions of the property service such as maintenance. The scope and timescale for this workshop is under review with the Property and Housing Service.

6.1.3 Community Support and Engagement

A management review of the Community Support and Engagement structure (including ward management) is underway. As a result of staff changes and changes to legislation, which have impacted on the work of the team, this review has been outstanding for a number of years and is required to ensure a sustainable team to deliver against Council priorities. A further driver is that a saving of £100,000 was agreed as part of the budget setting process against the structure review of this team.

A workshop is scheduled to take place on 21 August 2023 and it is expected that a report will be presented to this meeting of the Redesign Board.

7 Other Projects

7.1 Employability Review

A report was taken to 30 March 2023 Redesign Board detailing plans for a corporate review of employability services across the Council and partners.

This will be a focused review of Council services that support employability outcomes. This is primarily an internal (Council) review but set in context of the inter-agency approach to employability – as led by the Highland Employability Partnership.

The word 'employability' is generic and understandably is used widely in society and in service provision. There is a need to better define and understand the use of this term and establish those services which are supportive (for example, alcohol and drug

support services to address issues of addiction), and those that wholly exist and have core focus of getting individuals ready for and into work (once, for example, issues of addiction are addressed/managed).

A fundamental concern is that across its Services there may be duplication (actual or perceived) of service delivery, insofar as certain Council Services may also offer certain employability related support linked to their primary purpose, and thus clients may not secure the specific 'individualised' service they need to support them achieve their employability outcomes. There is also the concern that potentially different Council services are inadvertently delivering the same support.

Five outcomes are sought:

1. Mapping as to who does what in support of improved employability outcomes for clients, with clarity on the separation between supportive and dedicated services.
2. Clarity on the expectation from Scottish Government (and more recently by UK Govt with its Levelling-Up programme) placed by on local government to deliver / co-ordinate employability services alongside its other statutory and non-statutory services. Allied to this identify the external financial resources made / planned to be made available to undertake this work.
3. The identification of emerging and best practice approach as to how local government has organised itself to deliver employability services alongside other supportive/contributory services.
4. Recommendation on how Highland Council could re-design itself and its service provision/co-ordination to improve employability outcomes.
5. The identification of any Council revenue funding efficiencies/savings that could be achieved, including immediate and direct savings in 2023/24 as well as longer term indirect savings secured 2024/25 onwards through Service redesign and improved employment outcomes (savings due to reduction in associated service demands).

After a competitive tender exercise, Rocket Science Ltd., have been appointed to undertake this study. As per the work programme agreed with the consultants, work has commenced with evidence gathering from Council Services, with the intent that the study is completed during October 2023 allowing for a report to be prepared for the December Re-design Board.

Designation: Interim Depute Chief Executive

Date: 14 August 2023

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