

## **Significant reviews: what do the review reports together tell us for redesign?**

Board members will consider the review recommendations for each of the seven individual reviews they called for. As well as this, Members are asked to consider what the review reports together tell us for the redesign of the Council.

Members may have a view on this from their experience on the Board and in review teams. Ten insights are highlighted in this discussion paper. This is one source of ideas for redesign.

### **10 insights for redesign**

1. Make peer reviews normal business as a way of improving how we operate with options, cost and impact in mind.
2. Sustain Members engagement in a review programme
3. Sustain engagement of Trade Unions in a review programme
4. Enable capacity to implement reviews & celebrate achievement
5. Re-purpose the Corporate Improvement Team (CIT) to support ongoing redesign
6. New ways of working recommended can support localism
7. We need to be better at specifying our intentions, matching to affordability and understanding service impact
8. Suggestions for our financial strategy, financial scrutiny and finance service support for commercial approaches
9. Team linkages and some structure ideas/issues
10. Stopping services ... as a last resort, but not ruled out

If Members want to see further information about any of these, there is more information in the appendix. Most of the detail is managerial, but Members may have a particular interest in the fuller description in numbers 2, 6 and 10.

To gain fuller insight from the reviews, in addition to seeking Board Member views at the workshop, an evaluation of the review process by involving those taking part in it is required. This would also help improve the review process going forward. This can be done by gathering their views in surveys, semi structured interviews and/or focus groups. This can be taken forward in March and April with a final evaluation reported in May.

**10 insights for redesign arising from the significant reviews (phase 1)**

**1. Make peer reviews normal business as a way of improving how we operate with options, cost and impact in mind.**

- Reviews to date have shown it is often possible to identify efficiencies, cost savings and improve outcomes.
- They have enabled challenge, innovation and openness to all options for service delivery.
- Reviews can build on progress being made within a service, acknowledging where progress has already been made e.g. residential placements for looked after children, the transport programme, street light dimming trials.
- Peer reviews can support management/leadership development, particularly important to broaden experience and skills as we move to flatter management structures. There is scope to engage staff in CPP organisations to develop management/leadership development across public and third sector bodies by involving them in review teams and seeking a reciprocal arrangement to broaden staff experience.
- Nothing should be out of scope for review, but we should develop criteria for prioritising reviews (Member views, budget scale or cost increase, performance data, CRM data, QPRs, staff views) and with statutory functions just as likely to be reviewed as discretionary functions.
- Reviews have demonstrated and reinforced the values (challenge, open to ideas, participating and empowering). They can support culture change by identifying blockages e.g. children's services review 'There are some cultural, workload and administrative factors that may work against the objectives of preventing and reducing the duration of residential accommodation.'
- Reviews can identify where staff roles need to change e.g. revisiting roles and responsibilities. The Lean programme under development can support this too.
- Heads of Service should be responsible for implementation with Director and any other corporate support agreed (e.g. HR, ICT, CIT). Over the election period and summer recess the Chief Executive will scrutinise implementation. The approach to continued Member scrutiny will be part of the governance arrangements in the new Council.
- People need to be regularly congratulated for stepping up and for opening up.

**2. Sustain Members engagement in a review programme**

Members have decided the priority areas for review, the process to use and their pace. Elected Members have duties to set strategy and policy and to scrutinise performance. Given this remit, their involvement could be embedded in a redesigned Council by:

- Identifying the priority areas for review
- To challenge review findings and recommendations and share ideas for improvement
- To agree any policy and resource changes that may be identified from reviews – through appropriate governance
- To champion the change agreed among Members
- To champion the change agreed with the public / service users / community bodies
- To scrutinise implementation

Policy advice, implementation and operational management are roles for staff led by the Chief Executive who is supported by the Executive Leadership Team. Members do not have a role in carrying out reviews or implementing them; but the experience of their attachment to significant reviews has enabled them to broaden and deepen their understanding of the functions reviewed and to bring new perspectives to them. To retain these benefits Members could:

- Attend briefings, workshops and site visits with staff involved in reviews in advance of proposals being made. Members with particular interest could choose to be more informed about particular reviews in these ways.
- Shadow staff using the framework agreed.

### **3. Sustain engagement of Trade Unions in a review programme**

The involvement of staff side representatives in individual reviews was welcomed by team leaders. The contribution Trade Union representatives have made to the Board has been productive, providing constructive challenge, credibility and influence. This partnership approach should be supported in an ongoing review programme.

### **4. Enable capacity to implement reviews and celebrate achievements**

Most review recommendations require support from other teams or services in the Council. This includes HR (e.g. ASN, waste, street cleansing), ICT (ASN, waste, street cleansing) and the Corporate Improvement Team (all reviews). As well as corporate support some highlighted the need for specific service support (e.g. for waste services the following teams/specialism were highlighted for support - economic development, planning team, education/school curriculum development, a range of finance services and customer services). For recommendations affecting staff terms and conditions and roles and responsibilities engagement with Trade Unions as well as HR will be required.

Capacity to provide this support is essential, especially for the actions identified as priorities. An assessment of capacity and ability to reprioritise work would identify any risks to implementing the reviews and enable discussion on how to manage these risks to support redesign. It will be important not to over stretch and put quality and support at risk. Proposals for re-purposing the CIT are made below.

Capacity within service teams to take forward review actions is also needed as highlighted in for the Transport Coordination Unit in the transport review.

## **5. Re-purpose the Corporate Improvement Team (CIT) to support ongoing redesign**

The purpose, shape and brand of the CIT should change to sustain and develop the approach to reviews and support any new governance arrangements. Their role would include:

- Coordinate the programme of reviews and reporting from it
- Support member engagement in the process as detailed above
- Support the peer review process
  - Coordinate team members identified by the Chief Executive
  - Provide information for the evidence base and options appraisal
  - Provide team members
  - Propose particular review methods based on good and emerging business improvement practice
- Support the implementation of review findings, including:
  - Business case development e.g. in-house specialist educational facility, hub model in children's services, more Council owned/managed children's homes, waste options, transport options
  - Options appraisal
  - Support good procurement practice (e.g. Scotland Excel for spot purchase residential care)and ensure links to the new shared service
  - Benefits realisation from reviews
  - Sharing good practice arising from reviews (within services and across Council)
- Manage the Lean Programme of reviews
  - Raise awareness of the Lean programme through staff briefings and the L&D function, with additional briefing for review teams
  - Propose the priority areas for review and up-date quarterly. Some reviews will be identified from significant reviews but others will be identified from e.g. performance issues, budget issues, staff proposals
  - Train facilitators to appropriate accreditation levels
  - Match facilitators to reviews
  - Identify the organisational learning from reviews and share good practice
  - Enable lean review teams to showcase the improvement they identify to senior managers and members
- Develop more commercial approaches
  - Develop programme of commercial opportunities covering small and large scale opportunities
  - Business case development
  - Enable training for staff in commercial approaches

- Promote appropriate commercial approaches through a range of communication methods with staff
- Support Members in their leadership and scrutiny role on commercial approaches
- Evaluation of the reviews and review programme
  - To learn as we go from reviews (formative evaluation) and continuously improve the review process
  - Capture organisational learning from reviews and recommend changes required
- Support a programme of staff engagement in redesign
  - Through the processes above
  - Through the training and development programme
  - Through a range of communication methods including the staff panel and the on-line ideas tool

This change in purpose, shape and brand would require work to manage the transition from the current transformation projects and consider the best fit for the team in any changed structure for the Council.

## **6. New ways of working recommended can support localism**

Review recommendations show that localism could be supported in five ways:

- a. Developing new regional/local capacity to in-source some services where a business case exists (e.g. possibly around specialist education provision, a Hub for looked after children and capacity/facility for waste treatment and disposal)
- b. Changing management approaches:
  - i. Decentralising budgets/resources to ensure those spending the budget are budget holders, responsible and accountable for managing the budget (with appropriate budget and risk management in place) e.g. residential places for children, ASL resource prioritisation, public and community transport.
  - ii. Disaggregating some contracts for procurement to enable different solutions for different areas and for contracts to be let across different time periods (e.g. transport).
- c. An increased role for Local Committees e.g. disaggregated budgets for local transport. This brings increased accountability.
- d. Using the new local community partnerships to develop ideas and share information and responses (e.g. to consider local transport routes and solutions)
- e. More engagement with local community bodies to find new local solutions to service delivery including more of a say in resource allocation (e.g. to enable new community transport and more localised school transport options)

including parent transport). The development of participatory budgeting approaches into mainstream budgets could support this further. New approaches to support communities with their Christmas lights is another example where instead of providing the service we support communities to do it for themselves with our advice, use of plant or staff in their own time, or to charge for the service instead.

‘There is no single option which meets the needs for all of Highland: each area and route has its own circumstances and opportunities which dictate the best option for that area or route.’ (Transport review para 4.7) This has wider application than for transport services.

Moving to a localised approach would require operational and governance structures to change and an appetite for risk. It would need to be supported by improved localised management data on e.g. service demand, supply options and arrangements, performance, financial information and knowledge of community bodies.

## **7. We need to be better at specifying our intentions, matching to affordability and understanding service impact**

Some review reports highlight a lack of clarity around whether and how we set service standards.

Reviews have highlighted that some functions are demand led but even for these the level of service expected or provided does not appear to be explicit. Hierarchies are used to help identify need (e.g. ASN) and preferred service options (e.g. accommodation preferences for children in care) but how these relate to the service expected to be provided is less clear. For these functions a move to spending decisions being made by budget holders will help make these links, along with a shift to more preventative action and improving our understanding of outcomes of services.

The frequency of service provision is one form of standard (e.g. waste collection, conditions of subsidised / non-commercial bus routes). We do have benchmarking data to compare our performance with others (e.g. relatively high performance for recycling and street cleaning).

The street cleansing review is clear that reductions in the work force and in working time will reduce service standards. In this approach the budget sets the standard, rather than explicit agreement about the standard required and with budget to follow.

These examples reinforce the point above about linking budget to priorities, performance and work force.

## **8. Suggestions for financial strategy, financial scrutiny and Finance Service support for commercial approaches**

As noted above the Council's budget should follow the Council's priorities and agreed performance levels. It should support what the Council seeks to achieve and to what standard. This means explicit links between resource allocation, priorities, performance levels and workforce planning. These need to be reviewed regularly to ensure they are still appropriate and affordable.

Reviews indicate that it would be helpful if budget monitoring reports can show:

- Trends in spend over time for key functions in the Council as well as in year and projected end of year spend currently provided. For example the ASN review shows that the Council core budget grew by 19% over the past 6 years (by £5m to £31.6m, +£3.5m NESH funding) at a time when Council budget savings totalled £135m. Providing budget trend information may support further member scrutiny and identify potential areas for review given our affordability challenges.
- Narrative on the expenditure from protected or non-core funding that may be derived from partners (e.g. NESH funding for ASN of £3.5m), government or other sources. The Council tends to have less discretion on how these funds are spent, limiting Council decision-making on them, and they reduce the options available to address the affordability challenges in our core budget. Clarity on such restrictions in budget reports would improve awareness among the public, staff and media.

Further support from the Finance Service on quantifying service costs to support charging schemes and understanding profit and loss is sought (e.g. waste services). How to ensure best energy billing and payment practice has also arisen. This may suggest an enhanced role for Service Finance Managers as a general theme of understanding and challenging costs for all services (more of an account management role perhaps), rather than a monitoring and assurance role. This would need investment and time in re-shaping these roles.

Improving arrangements for customer payments and debt recovery (e.g. waste services review) requires support from Finance and Corporate Services to support our new commercial approaches more generally.

## **9. Team linkages and some structure ideas/issues**

The following links are identified across review recommendations. They may indicate new ways of working or insights for service restructure:

- The children's services review identifies the importance of additional support in schools identifying the risk factors that might signal future potential need for children entering care. The task is to prevent that happening. This needs sharing of best practice and reprioritising ASN support.
- The ASN reviews recommends a move to needs assessment and resource allocation to ASGs has several benefits for school improvement and better partnership engagement. This includes the scope for it to stimulate the establishment of specialist hubs, which were raised in the Children's Services review. In addition the recommendation would encourage local managers/HTs to have more capacity to agree improvement, change, support and sharing of practice. This would support the recommendation from the Children's services review to reprioritise support view a view to preventing children entering care. The recommendation from the ASN review also requires alignment with the review of schools management underway and the Education Service.
- Waste services and D&I: Ensure links between the waste team and energy generation team and enhance these around any energy from waste proposals.
- Corporate Services and Finance Service – the waste review had several actions relating to making payment easier for the public (Service Centre and ICT roles) and links with the debt recovery (Finance) when payments are not made. Bringing these functions together may make it easier for other services to be clear about the pathway of who does what in relation to customer payments.
- Corporate Services and Community Services – both the waste and street cleansing reviews indicate the need for the CRM system to be more effective to speed up response and to provide better reports and analysis of customer contact/complaint.
- As noted above more support with the Finance Service to understand costs better and appropriate charging levels (e.g. account management role).
- Some reviews identify different team arrangements or issues to explore. These focus on:
  - creating specialist teams – e.g. accommodation booking and monitoring in children's services to free up professional SW time, creating a specific commercial waste team to maximise income potential
  - integration of some teams – e.g. residential, fostering and through care services
  - maximising the business potential from our teams e.g. our street lighting team providing services to the Council for its own premises rather than outsourcing – as well as looking to grow business externally
  - flexing teams to suit priorities, opportunities and context
  - line management consistency - RPOs are found across more than one service and the lack of consistency in line management means review action needs ELT support (street lighting review).



- The Transport review recommends the transfer of the school transport budget and responsibilities in C&L to the transport coordination unit in Community Services.
- The street cleansing review highlights the linkages between the waste team and the street cleansing team on e.g. fly tipping and littering at recycling stations when recyclate is collected.

### **10. Stopping services ... as a last resort, but not ruled out**

The reviews affecting community services all considered the option of stopping services. Some include recommendations e.g. engagement with communities on removing street lighting columns. However general findings are that there are other options to pursue first before considering stopping or withdrawing services if they are seen to be of value. These are:

- Demonstrate that we are operating services as efficiently as possible before stopping services (this should apply across services and functions as efficiency levels will vary);
- We should explore if the service can be provided in another way and/or by another provider (ALEO, community body, out-sourced. We should look to see what transfer support might enable this (e.g. our support to communities to manage their own Christmas lights);
- We should explore income potential to sustain a service – or enable cross-subsidy of it.
- We should review levels of service to make the service more affordable.

Where these routes are exhausted we need to apply the Audit Scotland framework for stopping services, which includes impact assessment.

This approach would seem to fit with the exercise over the summer of 2016 when the Board found it difficult to identify functions to withdraw from all together.