

Agenda Item	11
Report No	HC/18/17

HIGHLAND COUNCIL

Date: 29 June 2017

Report Title: Redesign proposals for operating more commercially and widening democratic and community participation

Report By: Chief Executive

1. Purpose/Executive Summary

1.1 At the Council meeting in March 2017, Members considered the [final report](#) from the Redesign Board and agreed several recommendations to be presented to the new Council for approval. This report includes and develops the Redesign recommendations relating to:

- statements of redesign and of Council purpose, values and outcomes;
- adopting a more commercial approach;
- supporting local community groups to do more for their local communities;
- widening democratic rights so that more people can have a say in what matters to them.

1.2 Proposals in this report seek approval for different approaches and methods to be developed recognising that organisation redesign is an evolving process that requires us to challenge current ways of working and try out new approaches.

2. Recommendations

2.1 Members are asked to:

- i. Agree the statement of redesign for implementation at Appendix 1.
- ii. Agree the statement of Council purpose, values and outcomes at Appendix 2, noting that the description of outcomes can be refreshed when the Council's Programme and priorities are confirmed this year.
- iii. Note that at the March 2017 meeting the Council endorsed a commercial approach to try to offset future budget reductions and to support services and jobs across the region.
- iv. Agree to create a Commercial Board for a step change in income generation and to lead and drive the actions set out in paragraph 4.5. Agree that the Commercial Board reports to Corporate Resources Committee and comprises 5 Members (1 from each Group), 2 senior officers in executive roles and up to 2 external advisors with business expertise to participate voluntarily as non-executives on the Board.
- v. Note that having listened to community bodies about the support they need to do more in their communities, Council staff time has been offered to develop local web-based Community Gateway information and an App matching volunteers to volunteering opportunities. This offer of support and related issues are being discussed at the Highland CPP Board on 28th June and a verbal update will be provided for Members at the Council meeting.

- vi. Agree that the time is right to try new approaches to widen participation in decision-making. This is supported by the findings from the Commission on Highland Democracy, Redesign work to date, the appetite from community bodies and citizens for more involvement, new Community Partnerships being in place and a proposed national review of local governance expected to call for proposals from localities to identify what to change.
- vii. Agree to create proposals for change to local governance with communities, community bodies and where appropriate with partners as described in 6.11 to 6.30, with the new Redesign Board supporting and overseeing progress.
- viii. Agree that alongside the proposals above that local committees continue to evolve by:
 - a. ensuring the right fit between the agendas of strategic and local committees, in liaison with the chairs of strategic and local committee and using the subsidiarity challenge agreed at the Council meeting in March 2017 and described in paragraph 6.29;
 - b. further work being done to develop community budgets for local committee areas;
 - c. rolling out participatory budgeting further and considering it for mainstream as well as discretionary budgets at a local level. Specific proposals will be developed for Members to consider in future meetings.
 - d. developing the working relationship with the Community Partnership in the local area.
- ix. Note that a further report on taking forward other recommendations from the Redesign Board to the Council is expected for the Council meeting in September, focusing on structure and management of Council operations and any up-date available by then on a proposed national review of local governance.

3. Background

- 3.1 At the Council meeting in March 2017 Members agreed that the statement of redesign, developed by the former Redesign Board should be presented to the new Council for approval and implementation. It is attached at Appendix 1. It sets out the vision for redesign, clarifying what it means for communities, staff, members and partners.
- 3.2 Members also agreed that the statement of values, purpose and outcomes should be presented to the new Council for approval. It is attached at Appendix 2. The outcomes described can be reviewed when the Council confirms its priorities and new Council Programme this year. These will also need to align to a budget strategy going forward, as reported separately to this meeting.
- 3.3 This report takes other Redesign recommendations forward and develops two themes within the statements appended: operating more commercially and widening democratic and community participation.

4 Operating more commercially

- 4.1 At the Council meeting in March 2017 the Council endorsed the approach to be more commercially-minded as recommended by the Redesign Board. This included:
 - Seeing that commercial opportunities can generate income to support Council services and jobs across the region. If we do not generate more income we will not

be able to provide the services that people need. Given the projected budget gap, without commercial opportunities the Council will have to reduce or stop services.

- New considerable commercial opportunities for the Council identified in redesign reviews so far, whether at large or small scale, and with a social purpose.
- Learning from good practice elsewhere, especially in England where local authority funding from Government has reduced substantially, as well as learning from practice in the Highlands (from HLH).
- Favouring, on balance, a mixed economy of service delivery, using commercial approaches where appropriate and considering council owned companies as one of a number of options to be appraised on a case by case basis, with a business case required for each one proposed.
- Awareness that operating more commercially means a change in our practice including: improving our financial data to understand costs better; using our corporate data to market our services better; setting service standards with cost in mind; tracking and reporting expenditure over time; carrying out 'Lean' reviews to cut out waste; and asking staff to identify commercial opportunities.

4.2 In this way the Council's approach to operating more commercially requires an increased focus on generating income. This is with a social purpose in mind so that the Council can afford to provide services and jobs across the region. The scale of the budget challenge over the next five years is reported separately to the Council and shows a gap in the Revenue Budget of between £129.7m and £186.9m. Without alternative ways of generating income the Council will have to reduce or withdraw services and manage a declining workforce.

4.3 It should be noted that income generation is not new to the Council. Council Tax and other statutory fees and charges have been in place historically. More recently new and increased fees and charges have been introduced and other sources of income identified (e.g. renewable energy schemes and feed in tariffs). Additional new ways of generating income through the Corporate Improvement Team were reported recently to the Corporate Resources Committee. That noted £740,000 raised in 2016/17 from new advertising and sponsorship, increasing fees and charges and staff benefit schemes (staff purchases through salary deduction). In total across the range of fees, charges and other income, nearly £38m was raised in 2016/17 (excluding Council Tax). This was an increase of over 5% in income raised from the previous year.

4.4 Several new income generating projects are currently under development identified from within services and from redesign reviews. In addition there are a number of areas where it is considered that there is significant potential for new income generating activity. These include:-

- Energy services and schemes (Business Case in preparation)
- Land and Property
- ICT and Broadband Services

Discussions with Senior Officers of HLH have emphasised the importance of grouping activities and budgets together to identify new opportunities and to make the most of them.

4.5 What is needed is a way of:

1. Developing a five year rolling commercial strategy with:
 - a. income generation targets
 - b. describing how income generated supports Council services and employment across the region.
 - c. the strategy refreshed annually and as part of the annual budget setting in

February;

2. Directing a portfolio of commercial, income-generating activities;
3. Co-ordinating the Council's approach to income generation across all Services;
4. Maximising the Council's income potential given our regional context;
5. Growing new markets for Council services given our considerable infrastructure;
6. Identifying and selecting appropriate models of service delivery and commercial vehicles for the Council to use (on a case by case basis); and
7. Supporting the culture change required to operate more commercially whether at large or small scales.

- 4.6 The development of a commercial mind-set will require leadership, investment and training. The desired change in culture is likely to be incremental and the aim will be that, over time, a commercial approach to service delivery becomes an integral part of how the Council works. An important aspect of this culture change will be the positive messages about the benefits of being more commercially minded and working to achieve growth - with autonomy and at pace.
- 4.7 A Commercial Board could drive all of the actions above, providing the leadership required. The creation of a Commercial Board was recommended by the former Council to the new Council. It is therefore proposed that a Commercial Board is established by the Council with a governance reporting line to Corporate Resources Committee where decisions would be made.
- 4.8 To have a focused Board able to meet when required, a smaller Board is proposed. It could comprise of a representative from each group within the Council, so with five Members and for them to communicate more widely within their groups. This may be a role for Group Leaders or Group Leaders may have Members in their Groups with particular skills and expertise to contribute. With a smaller Board of this size, two senior officers (at Director and Chief Executive level) could support it in executive roles, sharing ideas and providing advice. In addition, to get the best advice on operating commercially it would be helpful to draw on external expertise as part of the Board. This could be achieved by inviting up to two people with business knowledge to volunteer to participate as non-executives on the Board.
- 4.9 Further information on the operating arrangements for the Board can be provided but its purpose would be to:
- make recommendations to Corporate Resources Committee on a commercial strategy;
 - ensure the implementation of the approved strategy; and
 - report progress to Corporate Resources Committee for scrutiny.
- 4.10 A Commercial Board could also be supported with commercial law advice through our shared procurement service with Aberdeen City Council. This would advise the Board when considering individual business cases and when alternative business models and vehicles are being considered¹. Proposals for re-structuring Council services are expected at the Council meeting in September and these could include proposals to support the Commercial approach required.
- 4.11 It is acknowledged that a commercial approach is wider than income generation. It also includes operating more efficiently and economically. These are requirements of Best

¹ These may include options such as: In-house Service; Arms-Length External Organisation; Trading Company; Joint Venture; Mutual Organisation; a Limited Liability Partnership; Company limited by shares or by guarantee; and Community Interest Company.

Value legislation² and the Council has arrangements in place to pursue these, notably through the work of the Corporate Improvement Team, the Digital First Programme, the shared procurement service and the new programme of Lean reviews as reported to the Corporate Resources Committee recently. It is not proposed that these approaches form part of the remit for a new Commercial Board. Its focus should be on income generation at this time.

- 4.12 To support the activities of a new Board, resources may be needed this year to take forward any business cases developed from Redesign Reviews and other commercial projects and these would be reported to Members for consideration. A resource for 2018/19 on a spend-to-save basis is also recommended and further information will be available for the budget process later this year.

5 Supporting local community groups to do more for their local communities

5.1 An important work stream from Redesign is to support more community action and community-run services. This will help people to help each other, drawing on high levels of volunteering in the region³ and to support social enterprise as part of community life in the Highlands. This activity is supported further through the Community Empowerment (Scotland) Act 2015. This provides new rights for community bodies to participate in improving services, to own and manage assets currently held by public bodies, to take part in community planning and to be consulted on the use of Common Good Funds.

5.2 To understand how to support community action further the Council engaged widely with community bodies in 2016. They told us that for community action to thrive it needs:

- The right supports in place;
- Motivated, caring, skilled and willing people in communities;
- Trusting relationships and helpful behaviours across public bodies and community bodies;
- Shifting the balance of power to enable communities to have real influence over the range of public services and being more involved in decisions affecting them.

5.3 In addition they ranked their top 5 ideas on how to support more community action as:

- 1st: A support or brokerage service in the Highlands providing a single point of contact for community bodies, described as 'A Community Gateway' (with 10 things identified for it to do⁴).
- 2nd: Changing attitudes in public bodies to be more positive and inclusive of community organisations.
- 3rd equal: Getting the new Community Partnerships off to the right start with community bodies.
- 3rd equal: Access to expertise in the Council to help community groups with more complicated business.
- 4th: Easy access to small grants to allow groups to move more quickly.

² Local Government in Scotland Act 2003

³ Our Citizens' Panel shows 39% of adults say they volunteer in some capacity with over half of them doing that at least once a week and in more than one activity. Volunteering activity appears to be higher in our rural and remote areas (2015 survey). If we include those saying they have taken part in a local consultation then the volunteering figure rises to 53% (2016 survey).

⁴ The 10 services sought were: a single point of contact offering help, advice and know-how; growing social enterprise; help to access and secure funding; enabling training; gathering views on community needs and different perspectives, including conflict resolution; offering advice on legal issues, good governance and business planning; help to acquire buildings and other assets; connecting volunteers and volunteering opportunities and to assets held by others; sharing good practice; and HR support.

5th: A new look at Community Councils.

- 5.4 Changing attitudes, building trusting relationships, local partnership working and reviewing the role of Community Councils are also themes identified by the Commission on Highland Democracy, reported separately to this meeting.
- 5.5 The Council agreed in March 2017 to endorse the development of the Community Gateway idea with community planning partners (CPP). A partnership approach is needed because support to the third sector is provided by all public agencies and not something the Council could do in isolation. Since then further engagement has taken place at an event in April with 12 organisations providing support to community bodies. These included public and third sector bodies.
- 5.6 The event highlighted that many organisations in the public and third sectors provide the 10 services sought of a Community Gateway. Indeed even from those present on the day it is clear that there are multiple points of contact for community bodies to receive support and signposting. High levels of overlap or duplication are found also for social enterprise support, funding support, volunteer training, community ownership support, assessing community needs and governance and business planning.
- 5.7 In addition to those present on the day over 30 other organisations were identified as having a role in supporting community bodies in some way. Given this map of provision it is perhaps not surprising that help to navigate the support available was requested by community bodies. New information from the event showed that a lack of knowledge about who does what is not confined to community bodies but that it exists also for providers.
- 5.8 This feedback will be reported to the CPP Board on 28th June and a verbal up-date on the CPP views will be provided at the Council meeting.
- 5.9 At this time the Council has offered staff time to the CPP to:
- develop a web-based Gateway or portal to provide locally based information on the range of supports currently available and linked to the new Community Partnerships (with support from the Council's Web team); and
 - staff time to develop an App to match volunteers to local volunteering opportunities (with support from the Smart Cities Team).
- These would be of use to community bodies, organisations supporting community bodies (including the Council and local Members), community partnerships and to individuals looking to volunteer locally.
- 5.10 The CPP is also being asked whether it is willing and able to reform the current range of provision with a view to achieving better value for the public purse, as most of the services provided to support community bodies are publicly funded. This agenda would need partner agreement and Government support. It should also be focused on supporting the remit of the new community partnerships and the local activity they are involved in.
- 5.11 With partners the Council will be working on the other ideas proposed by community bodies, around changing attitudes to be more positive about community bodies and the scope for creating a small grants scheme. Work is already underway to support the new Community Partnerships which Members will be involved in. All of these actions with partners should enable Highland communities to be better supported to do things for themselves. Further reports will be brought to the CPP and Members as work progresses.

6 Widening democratic rights so that more people can have a say in what matters to them.

- 6.1 A related Redesign work stream is to create opportunities for wider participation in local decision-making. The statements from redesign at Appendices 1 and 2 describe this as listening locally, more people having a say in what matters to them and bringing people together in new ways to be honest about and openly discuss the funding challenges which face public services and to find local solutions together.
- 6.2 In March 2017 the Council agreed with the Redesign Board's conclusions that far more needs to be decided locally through local committees and with increasing community participation and that closer connections were to be made between Local Committees and the local communities they serve. The Council agreed to recommend to the new Council to redesign the remit of local committees on the principle of subsidiarity⁵ (not devolving from the centre but taking a bottom-up approach) and to support community participation with the detail to be developed. They accepted this will be an evolutionary process of change.
- 6.3 Themes of understanding our democratic role, joint working with partners and communities in local areas, subsidiarity in decision-making and understanding the difference between consultation and involvement are all themes identified by the Commission on Highland Democracy reported separately at this meeting.
- 6.4 From the engagement with community bodies in 2016 described above there is a clear message to develop trusting relationships with community bodies and to shift the balance of power for communities to have real influence and be more involved in decisions affecting them.
- 6.5 Feedback from our Citizens' Panel also confirms a public appetite for more involvement. Results from our surveys in 2014 and 2016 show:
- 69% of people would like to be involved in decision-making in their area (the figure is higher among younger people);
 - 62% are interested in being involved in a discussion about how to develop or improve their community;
 - 53% are interested in being involved in the delivery of services their community needs;
 - 50% agree their community could become more involved in provided services they and their community need (only 14% disagreed as 38% didn't know);
 - More people agree than disagree that they enjoy working with other people on common problems in their community (39% compared to 22%);
 - More people believe that local people working together has more of an impact on people's everyday lives than Councils, business or community organisations; and
 - 77% are interested in the democratic process; and
 - more people agree than disagree that every citizen should get involved in politics if democracy is to work (48% compared to 22%).
- 6.6 Yet only 18% feel they have some influence over decision-making in their local area.

⁵ The principle of subsidiarity means that decisions should always be taken at the lowest possible level or closest to where they will have their effect. It means the central authority should have a subsidiary function, performing only those tasks which cannot be performed at a local level.

More people disagree than agree that:

- the Council listens to local people (despite this being of importance to them, ranked 2nd most important quality the Council should demonstrate);
- represents their views; or
- involves them in how it spends its money.

Engagement with Community Councils also appears low with only 12% saying they contacted their Community Council in the previous year.

- 6.7 As well as the Council agreeing to widen democratic participation and listen locally and community bodies and citizens saying they seek more and better involvement, new and forthcoming legislation supports this approach further.
- 6.8 Building on the Community Empowerment legislation the Scottish Government has several commitments in its current Programme for Government on local democracy. One commitment is to introduce a Bill to decentralise local authority functions, budgets and democratise oversight to local communities.
- 6.9 Following engagement with Cosla and Solace it seems likely that a future Bill, possibly a *Local Democracy Bill*, is to be informed by a wider review of local governance, stretching further than local authority functions. The review of local governance proposed is likely to involve a call for proposals to reconfigure governance differently, with the change proposed coming from localities. The Government seems open to different approaches being tested in different areas to inform future legislation. Further information is expected in early Autumn.
- 6.10 Other developments, such as the conclusion of the Commission on Highland Democracy and the evolution of Community Partnerships also provide a helpful context for developing new proposals for local governance stretching beyond Council decisions.
- 6.11 All of these developments indicate the time is right to develop new proposals for local decision-making. If the Council can create proposals with communities and with community bodies, its impact would be far greater than on the Council's Scheme of Delegation; it could be ground breaking and influence future legislation.
- 6.12 If the proposals help to build the connections with Community Partnerships then they could perhaps help inform the Government as it reviews the governance arrangements for other public sector bodies.
- 6.13 In addition it would be far better to create change with communities based on evidence and experience in Highland rather than to be required to implement an imposed approach untested in the region.
- 6.14 Although information is awaited on a national review of local governance, the Council can begin to consider how to approach creating new governance arrangements with community bodies locally. This should involve:
- Being clear about what we are trying to achieve;
 - Some practical steps to get started;
 - Considering the resources we need to make it happen;
 - Identifying and managing risks; and
 - Learning from experience.
- Some ideas are presented below.
- 6.15 Being clear about what we are trying to achieve

Audit Scotland provides clarity on the purpose of governance. It states: “Governance is about how local government bodies ensure that they are doing the right thing, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.” (Options appraisal: are you getting it right? 2014).

- 6.16 Creating new local decision-making arrangements with community bodies and communities offers a greater possibility of the Council getting this right and it especially supports the inclusive, open, honest and accountability requirements above. It should enable the Council to:
- be, and be seen to be, more community-minded;
 - widen democratic participation;
 - encourage more people to be more involved in the life of their communities;
 - encourage more people to be involved in community-run services;
 - help with the change in attitudes for public bodies to be more positive and inclusive of community organisations and community views;
 - make the most of the connections staff have with their local communities;
 - influence national policy and legislation on local governance and democracy; and
 - enable different ideas to be taken forward in different parts of Highland depending on local priorities, interests and local contexts.
- 6.17 If such proposals work well, longer term gains could include:
- a strengthened relationship between the Council and its public, with constructive engagement leading to increased trust and accountability;
 - a Highland Council that is recognised as being rooted in its local communities as well as having a strong regional identity and strategic influence nationally;
 - citizens directly engaged in the quality of service delivery, bringing new insights and working together on problems and solutions;
 - increased voter turn-out and interest in standing for election (from community to national levels and in other Boards and Committees);
 - with more active citizenship , more community-run services and greater social capital in the Highlands linked to improved economic performance.
- 6.18 Some practical steps to get started
We could develop proposals and ideas with willing community bodies and partners beginning this year. This would mean that different ideas may be taken forward in different parts of Highland where communities are most ready. Some ideas might be to develop:
- A new relationship with Community Councils, reviewing our respective functions and how we might change who does what and what other changes would be needed to make this happen (e.g. legislative change). Other community bodies with resources could be invited to participate too such as local Development Trusts.
 - With partners and other providers trying a local approach to getting more people and communities involved in community transport and possibly community care arrangements if partners wish to participate (these and other services with partnership interest could be developed through Community Partnerships).
 - Building on the new community partnership process, developing a new approach in areas of rural and/or urban deprivation to see if there are new ways of involving residents to change how public services are delivered so more people can be

moved out of poverty.

- A local approach to getting more people involved in the economic life of their communities, to see how this could change the way public support is provided for social enterprise and getting people into work.
- A more radical reform to create a Community Gateway that is more than improving the marketing of current services and reviews who does what to support community bodies.

6.19 Other ideas could come from:

- Members and their knowledge of local issues and concerns;
- Council priorities and budget strategy agreed by Members that identifies which services need to change locally and be affordable and requires community involvement to develop solutions;
- any participation requests submitted by community bodies;
- issues raised in Community Partnerships; or
- facilitated conversations locally to identify what matters most to people.

6.20 At a national level Cosla, SOLACE and the Government are working together on public service reform. Two work streams encourage place-based approaches to changing public services to tackle inequality more effectively and to grow local economies that everyone can benefit from. These work streams may create other ideas for local intervention.

6.21 The process would involve:

- facilitated conversations with community bodies and partners;
- listening with an open mind, asking questions, reflecting and deliberating;
- getting a sense with others what needs to change;
- encouraging ideas to emerge on what and how to change;
- testing these ideas out on others – and trying new approaches to this, for example Citizen Juries and involving people not normally involved;
- refining ideas;
- acting quickly to put ideas in place;
- learning as we go and refining and improving the action.

6.22 We know from our engagement with community bodies that this approach works; where creating the right forums for discussion can create very practical new ideas and in a consensual way and they can challenge current arrangements. Similarly we have positive experience of trying out participatory budgeting and that approach is adapting from our experience.

6.23 The approach is place-based and how it develops will depend on local interest and capacity to be involved. The topics to explore are likely to vary too as different areas have different local priorities and issues. It may be worthwhile identifying a number of areas, perhaps 3 or 4 initially, to try to create the change with communities and partners and learn as we go. We need to accept too that some ideas might work better in some areas than others.

6.24 The Redesign Board could be asked to support and oversee the approach, working with others to identify the early themes to work on together. It could also develop the brand to promote the approach. It should reflect that is about improving democracy in Highland, involve community conversations, the Council leading by listening, the public having a voice and encouraging more people to be active citizens.

6.25 Considering the resources we need to make it happen

Resources for this approach could be drawn from:

1. The time of elected Members locally for areas chosen initially;
2. Staff currently involved in implementing the Community Empowerment Act and associated engagement budgets;
3. The time of community bodies locally and further engagement with people locally;
4. Time of any willing CPP partners regionally and locally to participate, share venues and offer other support such as facilitation;
5. An approach to the Government to fund some external facilitation and advice and some civil servant time;
6. Potentially from an academic partner with an interest in democratic practice and participation.

6.26 Identifying and managing risks

This approach to reviewing our local governance has not been tried before. It requires a new way of working, listening and acting. It is also a process that we cannot determine the result of at the start and this means being more comfortable with uncertainty and a lack of predictability. It also means the Council has to facilitate and not control the process. These can be seen as risks but the wider benefits expected will have to be kept in mind and the process itself should be valued as it will provide insights that would not otherwise emerge.

6.27 To help manage this risk we need to be aware of the barriers to change and old habits that can creep in. The Commission on Highland Democracy identifies some of these. We can also learn from experience elsewhere in trying new approaches to public participation. A summary of evidence from elsewhere⁶ highlights the following pitfalls and lessons:

1. In trying to improve public participation we need to view the public not solely as consumers of public services but also as active citizens exercising their democratic rights.
2. We need to pay attention to developing equal partnerships and practise dialogue: 'Central to success in making change appeared to be the preparedness of *listening* to others and the capacity to *learn* from others.' (2007, p111).
3. We need to think through what brings people to the table, connects them and what sustains them to participate in dialogue. New spaces for doing this will be needed.
4. We need to be aware of institutional barriers to change. The authors warn of '.. the way in which newly established formal rules can be comprehensively undone by long established norms of behaviour...' (2007, p,123). Capacity building for officials will be needed as well as for communities. The skills of people chairing events and engaging people will be important, including for Members.
5. The authors conclude: 'There is, of course, no 'one size fits all' solution to public participation ambitions: multiple objectives, methods and opportunities are

⁶ Barnes M, Newman J, Sullivan H (2007) Power, participation and political renewal: case studies in public participation. This reviewed 17 examples of public involvement in England.

important for providing a range of points of potential engagement.’ (2007, p185)

- 6.28 Another potential risk is that members and Government may seek change more quickly than a deliberative process allows. Involvement needs to respect the pace possible by engaging people locally to volunteer their time. This is especially true for processes that will challenge current ways of working and the different governance arrangements that currently exist across public bodies operating locally. This could be countered by:
- Working with willing community bodies and partners where there is real interest, commitment and pace to change;
 - Finding ways of making it easy for people and community bodies to participate;
 - Providing additional support to community bodies and places that may need it to take part in local conversations and in testing out ideas;
 - Having proposals ready for when they are called as part of the proposed national review of local governance and keeping the Government informed of progress and identifying how the Government may need to support the change needed as well.
- 6.29 In addition, alongside a process of creating new local arrangements with communities and partners, the Local Committees can continue to evolve. This includes:
- Members considering whether more business can be transferred to Local Committees and in liaison with Strategic and Local Committee Chairs and using the guidance developed by the Redesign Board and agreed by the Council in March. This guidance can be seen as providing a subsidiarity challenge as it sets out criteria⁷ for when decisions should be considered at a strategic committee. The Council report also set out how any associated risks can be managed.
 - Further work being done to develop community budgets for Local Committee Areas. This would be wider than the community services budget devolved in 2016/17 and enable affordable choices to be made locally across services.
 - Members considering how participatory budgeting introduced for some discretionary budgets from 2016 can be rolled out to more Wards and used for mainstream budgets at a local level. Further proposals can be developed for Members to consider.
 - Developing the working relationship between the Local Committee and the Community Partnership in the same area.
- 6.30 Learning as we go
A key element of this approach is to learn from experience and adjust plans and actions as needed and not wait for a review after a longer time period. The approach proposed also accepts that change will be evolutionary. Where new arrangements are proposed in one area we can also see whether they are transferable to other areas but also be flexible about that given the different operating contexts across the region. The learning from our approach of identifying and making the change with communities and partners is intended to inform national policy and future legislation.

7. Implications

- 7.1 Resource – The resource required to take forward the proposals is largely staff time and no additional resources are sought at this time. A report to the Council meeting in September is expected to include staff structure proposals. Some of those may relate to

⁷ Members agreed the use of the principle of subsidiarity, so that decisions would be made locally unless there were good reasons for not doing so i.e. where the service is specialist or where it would be more effective or affordable if at a larger scale. The nature of Highland-wide decisions was clarified as those focusing on: strategy or policy (while enabling local flexibility for local solutions to reflect the diversity of the region); resource allocation to areas; professional support and advice; and any area of business that cannot be decided locally because of scale or strategic importance.

the changes required around commercial practice and local participation and decision-making. Resources required for taking forward business cases related to commercial practice will be reported to Members when cases are completed. A resource for commercial approaches for 2018/19 is recommended on a spend-to-save basis and further information will be available for the budget process later this year.

- 7.2 Legal – This report highlights the relevant legislation covering community empowerment and best value. The approach to widening democratic participation would contribute to the proposed national review of local governance and influence new legislation on local democracy.
- 7.3 Community (Equality, Poverty and Rural) – The purpose of operating more commercially is to try and offset the reductions in Council grant to support services and jobs across the region. In supporting more community-run services there has been considerable engagement with community bodies and with partners as a result of the redesign process. The proposals to support community-bodies more are based on what they said they needed. In addition to gathering the views of the Citizens' Panel on democratic participation Members will have the information from the Commission on Highland Democracy on what needs to change. The proposals to change local governance arrangements with communities and community bodies enable flexibility given differences across urban and rural communities. Some proposals focus on new ways of supporting people out of poverty. New ways of doing business requires an assessment of impact on different groups in our community and this would be part of the process in identifying what needs to change.
- 7.4 Climate Change/Carbon Clever – None at this time.
- 7.5 Risk – The risks identified in this paper relate to not generating income to try and offset grant reductions and trying new approaches through a Commercial Board and through trying new ways to widen democratic engagement.
- 7.6 Gaelic – None at this time.

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Redesign Statement

Highland is a unique, wonderfully diverse area bound together by its history, environment and culture. The Highland Council believe that our central priority is to sustain happy and resilient communities. We will champion and support our people to take shared responsibility for the wellbeing and development of the places in which they live and work. We want to build on a culture based on values, tolerance and community spirit.

The Council will offer leadership and collaborate effectively with partners in each place to provide good quality services designed to support local priorities. Where we provide services ourselves we will redesign structures and processes to improve efficiency, responsiveness, value and accessibility. The whole Council will work together to remove obstruction and delay from our processes, streamlining decision making and promoting opportunities.

Recognising the financial challenges facing the public sector the Council will become a more efficient and commercially aware organisation, recognising that income from high-value services, from fees and charges are an essential component of our future funding model.

Our Highland Council is changing. We will adapt to changing needs with less funding. We promise to:

- run business more efficiently, with new ways to remove waste in time and money
- run business more commercially, raising more income to support our public services
- listen locally, providing information to help people make affordable local choices about local services
- free up staff to work boldly and imaginatively with communities and other bodies to find new ways of running services locally
- help people to help each other, with new ways of supporting community groups and bodies
- take special care of people and places that need the most help to thrive.

Statement of Council purpose, values and outcomes

The Highland Council's purpose is to improve outcomes for Highland communities, Highland citizens and the region as a whole. It leads, invests in and gives strategic direction for regional development.

We stand up for the Highland region. We represent its interests and the contribution the Highlands make at a national and international level.

The Council is the only public body in the Highlands that improves public services through democratic scrutiny by elected members. This includes a wide range of Council services and police and fire services. We seek to widen democratic rights so that more people can have a say in what matters to them and local community groups can be supported to do more for their local communities. This will bring people together in new ways to be honest about and openly discuss the funding challenges which face public services and to find local solutions together.

The Council must achieve best value for the public money it spends on services. This means being efficient, open and accountable for our own resources, and also challenging the arrangements for public services provided by other public agencies in the region. We will work with partner agencies to simplify and integrate public services in order to get better value for public money. Responsibilities and ways of working may change and we will adapt, putting the needs of people and communities before the needs of organisational and professional boundaries.

The Council has the interests of Highland citizens at the heart of everything we do. We do our best to respond to people's current needs and demands for service and we also work to prevent poorer outcomes for people and communities which can lead to higher costs arising in the future.

We intend to do more to support disadvantaged people and disadvantaged areas, so that economic growth in the Highlands is shared more evenly. We want more people to contribute to, as well as benefit from, economic success. This will mean changing how services are provided and resources are used.

The quality of our staff is a major asset to the Council. We must be a good employer, as well as one of the major employers in our region. We will encourage our staff to challenge positively and to be innovative, making the most of a 'can do' attitude, and their close connections with communities. We will support them through change.

Elected Members know when to set aside potential differences and work on a constructive basis to support the work of the Council and its workforce to deliver positive outcomes for the community as a whole. They share a strong public service ethos with staff and will foster good working relations with them.

Statement of Council values

We believe everyone can have new ideas for doing things better. We want to hear them, especially when they challenge us. We believe good ideas and good results come from people coming together with different views, being respectful and honest about what we can do together. We will make even more effort to hear voices that are not normally heard. We will have faith in staff to use their initiative and we will have faith in local communities to do more for themselves.

Challenging

Open to ideas

Participating

Empowering

Statement of Outcomes for the Council

Highland is an attractive place to do business, with key sectors supported and making the most of our outstanding natural resources. Our economic growth is shared across the region, with opportunities for everyone to contribute and benefit, making the most of the skills of our people and developing them.

The world class environment of Highland is protected, enhanced and enjoyed by residents and visitors.

Highland is an attractive place to live, work and learn, where people and communities can achieve their potential, supported and connected by good infrastructure, amenities and services. In growing up and growing older we enjoy a good quality of life, living in safe communities, taking care of each other and looking out for those who need more support.

Highland communities are better supported to do things for themselves, with opportunities for wider participation in local decision-making and community led services.

As a public body, we are resource efficient, work smarter using up to date technology and trying out new approaches. We are business-like, operating commercially in order to support public services. Our staff and Members are closely connected to their local communities and are supported in their commitment to public service. We work with other public services to ensure all our public resources are used effectively and to prevent poorer outcomes which result in higher costs in the future.