

Agenda Item	11
Report No	HC/3/18

HIGHLAND COUNCIL

Date: 8.3.18

Report Title: **Redesign of Highland Council: up-date and review recommendations**

Report By: The Chief Executive

1. Purpose/Executive Summary

1.1 This report provides Members with an up-date of the Board's activities since the Council meeting in December 2017. Since then the Board has taken part in three workshops, held two formal Board meetings to decide on reviews and fed into the Staff Partnership Forum meeting with Trade Unions. The Council is asked to agree the Board's recommendations on two peer reviews which have concluded on grey fleet and procured legal services. Decisions on two other reviews overseen by the Board have been or are expected to be made at strategic committees. A savings target is now applied to the work of the Board as agreed at Council meeting in February 2018.

2. Recommendations

2.1 Members are asked to note:

- i. The improvements staff identified in the Lean reviews reported in this period for billing in wrap around care for early years and childcare and in fly-tipping.
- ii. That the Lean programme is continuing with more staff ideas being considered for projects, more staff to be trained in the methods to use, new ways of appreciating staff efforts are to be developed and that an annual evaluation report is planned for a future Council meeting.
- iii. That the Board's recommendations on music tuition were agreed by the People Committee and are now being implemented.
- iv. That the Board's recommendations on investing in solar PV on the Council's estate are being reported to the Corporate Resources Committee in February 2018 with a view to income generation.
- v. That the Board's grey fleet review recommendations will reduce cost, carbon emissions and corporate risk. These can be achieved by reducing the need to travel and making it easier to access alternatives to grey fleet (greater use of pool cars, car clubs and pool bike schemes where appropriate) with an estimated saving of £500k annually. These actions can be delegated to officers with the Depute Chief Executive/Director of Corporate Resources responsible for implementation with the plan set out in Appendix 1.
- vi. That the Board recommends in-sourcing some procured legal services with actions delegated to officers as set out in paragraph 4.14 which would be at least cost neutral and expected to avoid further cost and reduce expenditure;
- vii. That Members with ideas for reviews can contact the Chair of the Board or Head of Policy and Reform.
- viii. That other types of reviews focused on savings will need to be developed given the savings target agreed for the Redesign Board in 2018/19.

2.2 Members are asked to agree:

- i. That staff travel policies are reviewed to support the implementation of the grey fleet review. Changes to the travel policy identified from the review would be delegated to the Corporate Resources Committee.
- ii. To agree to the Board's recommendations to in-source some procured legal services as follows:
 - a. To reduce dependency on and the cost of commissioned legal services, a solicitor post is established at a cost of £45,000 (including on-costs) with the full time post recruited to either on a full time or part time basis which would at a minimum be cost neutral, to focus on employment and some procurement and litigation activity.
 - b. To establish a Paralegal Apprenticeship post at a cost of £32,000 (including on-costs) once qualified. This would strengthen conveyancing capacity to deliver financial savings and additional income for the Council.

3. Introduction

- 3.1 Since the middle of December 2017 the Redesign Board has continued to oversee a programme of peer reviews of specific functions, with three concluding and one new review commissioned in this time. It also supports the programme of Lean reviews which ensure that more efficient and improved processes are designed by staff involved in the process. The Board will continue to develop its Communications Plan and feedback from the Staff Partnership Forum in February has been helpful. The Board's activities are summarised below and can be tracked on the [website](#).
- 3.2 Board recommendations were made to the People Committee in January, are being made to the Corporate Resources Committee in February and recommendations are made below for the Council's consideration.

4. Progress with the programme of reviews and next steps

- 4.1 Being more open-minded to new ways of delivering services is a fundamental part of redesign. This is supported by a programme of reviews. At the moment reviews are undertaken on processes, using Lean methodology, and on wider functions and services using peer review methods.

4.2 Lean reviews

Two reviews have been show cased to the Board since December. These covered:

- Improving the process for billing and receiving income for wrap around care for early years. The Lean team have transformed the former process which relied on over 2000 separate spreadsheets to administer. It had led to a 3 month backlog in billing, inaccuracy in invoicing (15% of bills were re-worked), the need to issue refunds, avoidable customer debt and workload stressors for staff. The review team identified how to streamline the process from 80 to 28 steps with a possibility of this reducing to 15 steps with future ICT tablet use. The new process will automate data entry, reduce the backlog, save postage costs (£12k a year) and improve data management and accuracy. It has avoided a costly ICT solution (£30k instead of £300k). Once the new processes are bedded in the team will be able to quantify the reduction in staff time required and to track new error rates. There is scope in future for the new process to be extended to other wrap around care providers in the region. The Board appreciated the team's work and noted the importance of getting billing right for parents, staff and the Council given the further expansion of this service.
 - Improving arrangements for fly-tipping. This review was recommended by the peer review into street cleaning last year. In 2017 over 900 cases of fly-tipping had been reported but under-reporting was estimated at 50% and informal reporting was likely to account for a further 2500 cases a year, often dealt with by street cleaning teams. The improvements made by the Lean team include: a new e-form to make it easier to report fly-tipping which is acknowledged quickly and with an up-date on what is being done in response; the Head of Service can see the status of all requests and how long they are taking to close; a new mapping tool to plot incidents was developed and this identifies hot spots where preventative action can be targeted and enforcement activity can be coordinated. Greater use of mobile technology can support the process further. The Board appreciated the team's work and a press release was issued to communicate zero tolerance of fly-tipping in the region.
- 4.3 The Board has also had an up-date of the Lean programme overall. That highlighted that in the first year of the programme 8 Lean Projects had completed or were nearing completion, 36 staff have been trained as facilitators with more to be identified and over

20 ideas from staff are currently being reviewed to see if they could be new Lean projects. Many of these ideas have come from the staff forums run locally and the intention is to train those identifying new projects to undertake the reviews. Members supported the development of the programme, including new ways of appreciating staff achievements in identifying improvements and that an annual report evaluating the Lean programme should be made to Council each year.

4.4 Peer reviews

So far 6 peer reviews have been commissioned by the Redesign Board in 2017/18. An up-date of these is provided below along with any decisions referred to the Council meeting for consideration.

4.5 Music tuition – this review reported to a formal Board meeting in December with the [Board's recommendations](#) then agreed at the People Committee on 25th January. The outcome is that the music tuition service will transfer to Highlife Highland from 1.4.18 to enable the service to be affordable, sustainable and with scope to grow, reaching other people and places. In addition to avoiding future budget pressures, annual savings of £0.080m will delivered from 2019/20.

4.6 Grey fleet (staff using their own cars to do their job) – this [review reported](#) to a formal Redesign Board meeting on 27th February. The review team included Members¹ and Trade Union representation and the Director of Care and Learning supported and challenged the team. The Board agreed the recommendations. The key issues are that the use of grey fleet carries costs and risks to the Council, including: in 2016/17 accounting for 82% of all travel costs, costing £2.2m, emitting 2000 tonnes of carbon dioxide and considerable losses in productivity from time spent travelling. There are also corporate risks associated with not conducting vehicle and driver checks given the Council's legal duty of care to all grey fleet users.

4.7 The review team engaged staff through a survey completed by over 1300 staff and carried out interviews, workshops and conference calls with high users of grey fleet to understand their needs, issues and ideas for improvement. Staff feedback showed their significant dissatisfaction with current arrangements for business travel, with many favouring an alternative to grey fleet, using their own vehicle out of necessity. The team also engaged with supporting external organisations including the Energy Saving Trust, HITRANS and car clubs.

4.8 The review recommendations agreed by the Board are:

- to reduce the need to travel, including through refreshing the travel hierarchy and implementation of the ICT transformation programme;
- that where travel is necessary, to reduce the spend and carbon emissions associated with it by greater use of pool cars, car clubs and for shorter journeys to use active travel;
- to support the change that is needed by reviewing the travel desk, including expanding its role to accommodate pool cars, working with procurement teams on pool car provision and setting up contracts with car clubs and pool bike schemes where appropriate and reviewing and implementing new travel policies;
- to adopt the implementation plan, as attached at Appendix 1, and for it to be the responsibility of the Depute Chief Executive/Director of Corporate Resources.

These changes are estimated to provide around £500,000 in savings annually from 2018/19.

¹ The Members involved in the team were Cllr Louden and Cllr Gray.

- 4.9 All of these recommendations are operational matters that can be taken forward as delegated powers to officers, apart from the recommendation to review and implement new travel policies which need Member consideration. Approval is sought from the Council to undertake the review of travel policies. New travel policies developed would be reported to the Corporate Resources Committee for consideration and scrutiny.
- 4.10 Procured legal services – this [review reported](#) to a formal Board meeting on 27th February. The review team included Members² and Trade Union representation and the Director of Development and Infrastructure offered support and challenge. The Board agreed the recommendations. The team undertook a review of expenditure on external legal services by type of activity and by service, held meetings with the Legal Services Team and other Council Stakeholders (who confirmed the value and their appreciation of the internal team) and undertook benchmarking of provision with other local authorities.
- 4.11 A key issue is that while it is more cost effective to procure certain external legal services (because they are specialist or not required routinely³), the in-house legal team is small compared to other Councils and had been reduced following budget savings agreed for 2015/16. This meant that to respond to demand for services there was a greater reliance on external provision and at a higher cost (and within a competitive Framework Agreement). Additional pressures emerged in conveyancing and capacity issues continue to be found in activity around employment, procurement, major commercial issues and construction contracts. Expenditure on procured services can be unpredictable as much is demand led but costs have risen from £339,000 in 2014/15, to £535,000 in 2015/16 and were £489,000 in 2016/17. Recent legislative and other changes are expected to increase demand for legal services further, particularly around community asset transfers and potentially employment tribunals, leading to increased cost and potential budget pressures.
- 4.12 In questioning whether we have the right balance between in-house provision and outsourced provision, the team concluded that externally commissioned legal services should continue for areas relating to major construction contracts, contractual disputes and public local inquiries as they deliver the best value for the Council as they are specialist or used irregularly. It also concluded that employment and some areas of procurement and litigation should be delivered internally as they are integral functions of the Council that can be delivered more affordably in-house.
- 4.13 The Redesign Board agreed with the team's conclusions and seeks Council approval of its recommendations that:-
- To reduce dependency on and the cost of commissioned legal services, a solicitor post is established at a cost of £45,000 (including on-costs) with the full time post recruited to either on a full time or part time basis which would at a minimum be cost neutral, to focus on employment and some procurement and litigation activity.
 - To establish a Paralegal Apprenticeship post at a cost of £32,000 (including on-costs) once qualified. This would strengthen conveyancing capacity to deliver

² The Members involved in the team were Cllr Caddick and Cllr C Smith.

³ The areas out of scope for the review were: Counsel's Opinion and Judicial Review; Fees such as Curator Ad Litem, Permanence Orders, Guardianship Orders; and Sheriff Court Appearances in geographical areas where there are no in house legal staff (Wick, Fort William and Portree).

financial savings and additional income for the Council.

These posts need Member approval as new posts to the establishment.

- 4.14 Other recommendations agreed by the Redesign Board below can be delegated to officers.
- To fund the solicitor post by top slicing service budgets on an agreed formula as approved by the Director of Corporate Resources;
 - To consider a further Paralegal Apprenticeship post should income levels exceed assumptions on a recurring basis and a business case can be made.
 - To improve the visibility of expenditure incurred in relation to commissioned external legal services through amending the subjective codes to provide greater clarity over this type of expenditure.
 - To undertake exploratory work to identify the issues that would need to be considered should the Council wish to proactively market the Conveyancing Team to other public sector organisations as well as third sector organisations such as Registered Social Landlords.
- 4.15 Commissioned preventative services for children – this review is underway. Interim findings and potential improvements from the review team were discussed in January 2018 with further information requested on alternative service delivery models. This review has required more time because of the number of suppliers involved (29) and the need to engage with them, end of year work pressures among some team members and the need for more deliberation within the Board. The review team includes Members⁴ and Trade Union representation.
- 4.16 Car parking – this review is underway. The [scope](#) for the review was agreed in November 2017. The key priorities, objectives and some ideas for the review were confirmed with the Board in January. Unfortunately a follow up workshop for later that month had to be cancelled because of a clash with another Council meeting. Following the budget decision made at the Council meeting in February this review will need to be re-focused. The next opportunity for that would be the Board's workshop in March. The review team includes Members⁵ and Trade Union representation.
- 4.17 Building trades services – this new review has recently started and [the scope](#) has been agreed. This includes exploring the balance between in-house and out-sourced services. It is due to report early in the new financial year. The review team includes Members⁶ and Trade Union representation.
- 4.18 Peer reviews are particularly helpful for:
- Constructively and sensitively challenging the service delivery and resourcing model in use;
 - Bringing Member views in early to a review process; and
 - Involving Trade Union representatives and staff in service redesign.
- Peer reviews apply to statutory and discretionary functions. They normally conclude within a 12 week period. Further areas for peer review are to be identified and Members with ideas for areas to review can contact the Chair of the Board or the Head of Policy and Reform.
- 4.19 When peer reviews conclude they are evaluated with the staff involved and with

⁴ The Members involved in the team are Cllr M Smith and Cllr Jarvie.

⁵ The Members involved in the team are Cllr Baxter and Cllr Boyd.

⁶ The Members involved in the team are Cllr Caddick and Cllr Cockburn.

Members. Lessons learned are used to improve the process for future reviews. This evaluation will be taking place over the next few months for those reviews concluded so far in 2017/18.

- 4.20 The Board has also considered the business case around the Council's involvement in energy generation and supply. It agreed an approach to investing in solar PV in the Council's estate at a formal Board meeting in December 2017 and has made [its recommendations](#) to the Corporate Resources Committee on 28th February. At the time of writing the Committee meeting has still to take place.
- 4.21 As well as identifying new areas to review using current methods, new review methods can be developed. For example, the Board has an interest in community reviews, as set out in its [remit](#) and work plan, where a review would be done with communities affected. Some areas to test this approach out with have been identified in the localism discussions held with Members locally between October and January and work is underway to programme this activity. Given the savings target of £2.25m in 2018/19 agreed for the Redesign Board at the Council meeting in February, other types of reviews focused on savings will also need to be developed.

6. Developing the Communications Plan

- 6.1 As reported to the December meeting of the Council, the Board has started work on its Communications Plan. Now that the Board has identified the aims of the plan, the stakeholders to communicate with and what redesign is likely to mean for them further workshop sessions are planned to consider how best to communicate with each stakeholder group, including the general public. This can allow more time to consider the feedback from the Citizens' Panel in 2017 on redesign issues.
- 6.2 Staff are central to redesign and an up-date on staff involvement was provided at the Staff Partnership Forum held in February. It was agreed that the local staff forums between October to December had been helpful in raising new review ideas and other challenges. These are still being worked through with Directors and we will provide feedback on them to staff.

7. Other work in progress and new work to programme before the end of June

- 7.1 The Redesign Board has also been briefed on the new approach by the Accounts Commission to Best Value Assurance Reviews (BVAR). The [report](#) and [presentation](#) made by the Corporate Audit and Performance Manager highlighted the likely role of the Board and its work in a future BVAR of the Council, the timing of which is not yet known but it could be expected over the next 12-18 months.
- 7.2 Other work in progress that is to be scheduled for Board consideration includes the work streams around the Council being more community-minded and developing programmes of organisation change and support. Work done recently with Members in local workshops on taking forward localism, discussions with Area Chairs and the development of workforce planning will help to develop these aspects of the Board's remit and work plan and they will feature in future workshop agendas.

8. Implications

- 8.1 Resource – A new implication for the Board to consider is the new savings target agreed for it at £2.25m for 2018/19. In addition to peer, lean and possibly community reviews other types of review focused on savings will also need to be developed. Savings highlighted so far from the reviews included in this report are:
- Avoiding cost / preventing a future budget pressure: £30k instead of £300k ICT solution and ensuring income expected is paid timeously for wrap around care

for early years and childcare; music tuition ongoing budget pressure avoided; in-sourcing legal services (for employment, some procurement and litigation and conveyancing) will be cost neutral, avoid delays in income from asset disposal and should lead to reduced expenditure on external legal advice.

- Savings: estimate of £500k from the grey fleet review; £12k postage savings from the Lean review of early learning and child care billing, £80k from the music tuition review (from 2019/20).
- Income generation: potential future income from the Board's recommendations on investing in solar PV on the Council's estate to be considered at Corporate Resources Committee in February 2018. Potential for income generation in the future from in-sourcing some legal services that could be provided to others.

- 8.2 Legal: The legal implications included in the recommendations relate to building the capacity of the in-house legal team to provide a more affordable service and through the grey fleet review to improve compliance with the duty of care to staff while travelling for business.
- 8.3 Community (Equality, Poverty and Rural): When decisions are sought on review activity an assessment of community impacts is included. This assessment can be viewed using the hyperlinks to those individual reports.
- 8.4 Climate Change / Carbon Clever: the recommendations on grey fleet highlight the scope to reduce carbon emissions from staff travel.
- 8.5 Risk: Individual review reports consider risks and mitigating action. These can be viewed in the reports hyperlinked. A new risk for the Redesign Board is the delivery of the savings required of it. As noted above, in addition to savings from Lean and peer reviews, other types of review focused on savings will also need to be developed and overseen by the Board.
- 8.6 Gaelic: There are no Gaelic implications.

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Implementation Plan – staff business travel

The Depute Chief Executive & Director of Corporate Resources will be responsible for the implementation and roll-out of the following plan. Various work streams will be set up to deliver the objectives.

Table 3

Objective	Action	Desired outcome	Priority	Action Owner	Target Date/timescale	Operational / Committee Approval Required
Identify Directorate ownership for travel.	ELT is asked to agree ownership of travel related policies and practices, monitoring and reporting.	To ensure accountability, delivery of actions from the review and continued scrutiny of performance.	High	Executive Leadership Team	January 2018 - completed	Operational
Set targets to reduce travel costs and emissions.	Each Service to include a target reduction in mileage/travel costs and carbon emissions, in their Service Plan.	Reducing travel costs becomes integrated when planning activities and staff are encouraged to take ownership as part of the change management process.	Medium	ELT	April 2018	Operational
	Annual report to Resources Committee on Service mileage and costs.	To provide continual monitoring of mileage and cost and to monitor that reduction targets are being met.	Low	Depute Chief Executive & Director of Corporate Resources	Annually - August	Committee
Working with Trade Unions, HR and Payroll to review Travel and Subsistence Policy and practices.	Review the Travel and Subsistence Policy to include a section on grey fleet - vehicles, drivers and journeys.	Reduce the cost of travel and risk to the Council in terms of liabilities relating to staff using their own vehicles.	High	Head of People and IT	Dec 2018	Committee
	Review mileage claims	Provide confidence that the	Medium	Head of People &	July 2018	Operational

	process and forms: (it is acknowledged that any changes may need to be planned into the IT system future development roadmap)	T&S Policy is being implemented, managers and staff understand their responsibilities and risks across a range of issues are being managed.		ICT.		
Reinvigorate the Travel Hierarchy to promote lower cost and more carbon efficient methods and alternatives to travel.	Revise, reinvigorate, promote and implement Travel Hierarchy Plan ensuring effective communication strategy developed alongside.	Embed low cost and low carbon travel practices throughout organisation.	High	Climate change Officer	Jun 2018	Operational
	Work with colleagues in ICT to align the roll out of Office 365 and Skype for Business with Travel Hierarchy principles.	Unless face to face service delivery, ICT becomes the alternative to travel.	High	Climate Change Officer/ICT Project Manager	Tie in with roll out plan from ICT Services	Operational
Alternatives to Grey Fleet.	Commence implementation of pool cars/car club with high mileage grey fleet user groups.	Where travel is necessary provide alternatives to using grey fleet. Vehicles will be hybrid or electric.	High	Depute Chief Executive & Director of Corporate Resources	February 2018	Operational
	Undertake a trial of electric and manual bikes in Inverness and Dingwall for journeys of 5 miles and less.	Evaluate the usage of alternatives to cars in Inverness and Dingwall. Increase availability if staff feedback is positive.	Medium	Climate Change Officer	April 2018	Operational
	Promote car sharing via a	Reduce the number of single	Medium	Corporate	February 2018	Operational

	travel site or Facebook page where staff can share details of their journey and maximise opportunities for car sharing.	person journeys		Communications Manager		
	If external funding is available, (currently part subsidised by Transport Scotland), deliver Fuel Efficient Driver training for fuel efficiency and environmental benefits.	Raise awareness of how changes in driving behaviour can assist in reducing fuel usage and emissions generally.	Low	Climate Change Officer/Transport Manager	April 2019	Operational
Review the operation of Travel Desk	Review the current practices to ensure value for money. Particular focus on: (1) ensuring travelling is necessary and other options such as VC are not suitable or available. (2) encouraging the use of public transport and, where eligible, using rail and bus passes to buy lowest price tickets.	Review forms to promote alternatives to travel. Where travel is necessary promote lowest cost options. Ensure that if car hire is the most viable option for a trip, the most economical car is booked.	High	Head of Performance and Resources	March 2018	Operational