

Agenda Item	11
Report No	HC/28/18

HIGHLAND COUNCIL

Date: 6.9.18

Report Title: **Redesign of Highland Council: up-date from the Board**

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 at end June 2018. Since then the Board has taken part in one workshop, had a chance to engage with teams involved in Lean reviews and a redesign update was provided to a Staff Partnership Forum.
- 1.2 An up-date of the range of redesign reviews is provided, along with their budget impact.

2. Recommendations

- 2.1 Members are asked to discuss and note:
- i. The peer review into commissioned preventative services for children will conclude soon and the Board's recommendations are planned to be made to the Care, Learning and Housing Committee in October 2018. The building trades peer review is well underway and is expected to conclude in the autumn. Four new peer reviews are being tasked.
 - ii. After the first full year of Lean practice, staff have identified the positive impact of reviews as well as the support required to see them implemented well. This provides important organisational learning and will be reported fully to the Board along with a plan to unblock any Lean review implementation, especially where savings or income potential are being delayed.
 - iii. An up-date report on redesign and workforce implications was viewed positively at the Staff Partnership Forum with Trade Unions.
 - iv. An up-date of the range of redesign reviews and their budget impact, as set out in Appendix 1.
 - v. That peer expenditure reviews were agreed by the Board as a way of focusing on identifying further savings in 2018/19.
 - vi. That considerable pace and priority will be given to redesign work in order to deliver the necessary results and savings.

3. Introduction

3.1 The Board has met in one workshop since the end of June to consider progress with two peer reviews. Information from workshops is available on the [website](#).

3.2 Peer reviews

Peer reviews challenge whether we have the best service delivery model in place. At the workshop in August the Board:

- Discussed the progress and options for the review into commissioned preventative services for children. This review is nearing conclusion and a formal Board meeting will be scheduled for the Board's recommendations to be agreed. These will be reported to the Care, Learning and Housing Committee in October 2018.
- Discussed the ideas emerging from the review into building trades services and this review should conclude in the autumn.

3.3 Lean reviews

Lean reviews are undertaken by staff to streamline processes making them more efficient and to improve the service provided. Several Lean reviews are underway and these continued over the summer recess. In August nine teams furthest advanced in their reviews gathered to share their learning and to identify where they may need more support to implement all the improvements they identified. This was a productive event, reflecting on the first full year of Lean practice. Board Members, Directors and Trade Union representatives were able to hear at first-hand what the teams had achieved and where they needed more support.

3.4 Positive themes from the event were:

- Staff willingness, enthusiasm, competence and ability to bring change for the better;
- Appreciation of cross team and cross-service working;
- Staff feeling that "knowing you can make a difference" goes a long way to wanting to help;
- Staff feeling more confident to challenge current processes;
- Staff feeling valued with opportunities especially for junior staff to develop;
- Learning for staff that can be applied in day to day work;
- Understanding the process start to finish helped staff appreciate why things go wrong and how to fix them;
- Reviews enable proper consideration of what the problem areas are and challenge perceptions of problems;
- How easy it had been to resolve long standing issues;
- Solutions from one review can be transferred to other processes;
- Being more commercially aware; and
- Appreciating contact with Board members and having their support and feedback on reviews.

3.5 Staff were asked to identify if there were barriers or frustrations from their review and where further support could help resolve these. Themes arising were:

- More priority needs to be given to Lean reviews to ensure they are implemented;
- Teams need to be given clearer deadlines as well as more dedicated time to complete their reviews;
- Teams need managerial support where they encounter views that 'this is how we have always done it';
- Some reviews have found an interim solution, especially where ICT support is required, but there is uncertainty about how or when a full ICT solution can be put in place;
- For some reviews problems or delays with implementation mean savings and or income opportunities are being held back; and
- Too strong a focus on savings could mean missing other improvements and wider benefits.

- 3.6 Ideas for making the Lean programme even better were:
- Enabling dedicated time to drive the review and oversee implementation – taken away from the ‘day job’ for a week or two so that there are clear targets and end dates and work to those – this process might work better for some review areas;
 - Putting controls in place to see through the review changes;
 - Responsibilities assigned and accountability clear with target dates for implementation agreed, followed up and checking if the review has had the anticipated impact;
 - Formal project closure with lessons captured;
 - Dedicated ICT/Digital Services support for Redesign to programme/carry out the required changes as part of the Digital Transformation programme;
 - A single list of all review recommendations managed and monitored for implementation;
 - Having a more strategic approach to the reviews to be taken forward may lead to more benefits especially where there will be concerted action to see them through;
 - Rolling Lean training out further across staff to raise awareness and enable more review activity;
 - Several new ideas for Lean reviews were also identified.
- 3.7 A full report of the feedback from the event along with proposals for improving the programme and its implementation will be considered at a future Board workshop. The lessons from the full first year of Lean practice will be learned for the Council’s processes to continuously improve. Shared learning events should continue to be run with teams involved in reviews.
- 3.8 Staff Partnership Forum and the programme of redesign reviews
The Staff Partnership Forum of Trade Unions and Members met on 3rd August. An update report highlighting the workforce implications from recent redesign reviews was presented. The report was viewed positively.
- 3.9 In discussion a question was asked about the progress being made against the budget saving in 2018/19 agreed by the Council from redesign activity. A target of £2.25m was agreed in the Council’s budget.
- 3.10 In response Forum members were advised that:
- the Board considered the review programme at its workshop in May along with the estimated savings from reviews at that time;
 - Members noted that the programme of peer and lean reviews will contribute to the savings target, but they were advised of the risk that they may be insufficient to meet the Council target as the redesign reviews are not solely driven by savings but also to find wider improvement; and
 - To minimise this risk the Board agreed to a new type of review, a peer expenditure review (non-staffing expenditure) as another way of contributing to the savings target. The [Framework](#) for that type of review was agreed.
- 3.11 An up-date of the information provided to the Board in May on the budget impact of redesign reviews is attached at Appendix 1. The impact on the budget from reviews could be:
- savings and potential savings;
 - income generation and achievement;
 - cost avoided;
 - reduce budget pressure/overspend.

The budget impact of those reviews concluded and the estimated impact of those underway are noted in the Appendix, along with the pipeline of reviews to be tasked or programmed. As well as budget impact most reviews have productivity and efficiency gains.

3.12 At this time, and as reported to Corporate Resources Committee for the first quarter of this financial year, considerable pace and priority needs to be given to this work in order to deliver the necessary results and savings. An up-date on progress will be reported to the November Committee.

4. Focus for the next month

4.1 Redesign priorities for the next month are to:

- Conclude the peer review for commissioned preventative services for children;
- Press on with the peer review of building trade services, particularly given the savings potential;
- Develop a plan to unblock Lean review implementation, especially where savings or income potential are being delayed, and address the learning points from the recent event for Lean teams;
- Task new teams for 4 new peer reviews;
- Take forward the peer expenditure reviews at pace;
- Plan the next round of local staff forums with links to workforce planning. These have good reach and normally take place in 14 locations across the Council, including depots and offices.

5. Implications

5.1 Resource – This report highlights the range of reviews concluded, underway and to be programmed which will help meet the savings target for redesign in 2018/19.

5.2 Legal: There are no new legal implications arising from this report.

5.3 Community (Equality, Poverty and Rural): There are no new community implications arising from this report.

5.4 Climate Change / Carbon Clever: There are no new climate change implications arising from this report.

5.5 Risk: A new type of review, peer expenditure reviews (non-staffing expenditure), has been agreed by the Board as a way of focusing on savings in 2018/19. These, along with other redesign reviews are to be undertaken at pace to help meet the savings target.

5.6 Gaelic: There are no Gaelic implications.

Author: Carron McDiarmid, Head of Policy and Reform Tel (01463) 702852

Date: 28.8.18

**Redesign Reviews and Budget Impact 2017-19
August 2018**

Review	Board Recommendations expected to be reported/agreed	Impact on budget i.e.: savings and potential savings; income generation and achievement; cost avoided; reduce budget pressure/overspend.
Peer reviews (service redesign and best value)		
Music tuition	Agreed 25.1.18 CLH Committee	Ongoing budget pressure avoided and £80k annual saving from 2019/20 as part of HLH agreement.
Grey Fleet	Agreed 8.3.18 Council	Estimated saving of £500k from 2018/19 with car clubs and pool cars rolled out from May 2018.
Procured legal Services	Agreed 8.3.18 Council	Demand led service. In-sourcing through 2 new posts will reduce expenditure on more costly external legal advice and speed up income from asset disposal. Cost avoided and income gained from in-sourcing to be monitored once posts filled.
Car parking	Agreed 28.6.18 Council EDI Committee agreed fuller car parking policy 16.8.18 and to consider staffing implications 8.11.18 (TBC)	Considerable new income potential with choices on using that for savings and/or re-investment locally to be made by local committees in context of any savings target set by Council from 2019/20 onwards. Engagement process for making decisions on these budget choices agreed. Community Services staffing to be aligned. A proposed Lean review for car parking and roads teams may also identify efficiencies.
Commissioned preventative services for children	Expected CLH Committee 18.10 18	Team proposing £779k saving, spread over 2 years with £380k in 2019/20 and £399k in 2020/21. Board to formally consider in September 2018. More likely to reduce budget pressure/overspend than be saving.
Building trades services	Expected Autumn 2018	Potential for significant savings given current expenditure (over £20m) on contractors but not yet quantified. Early proposals for change discussed 21.8.18 but not yet at recommendations stage.
Approach to recruiting agency staff and casual labour.	Expected Dec 2018 /January 2019	Review to be tasked September.
In-house catering service – scope is to include catering for Members as agreed in Council motion June 2018 ¹ . Scope also to look at commercial	Expected Dec 2018 /January 2019	Review to be tasked September.

¹ Motion agreed 'That the Redesign Board carry out a comprehensive review of the provision of catering for Members in all Council premises where meetings involving Members are held and that a recommendation is brought forward for consideration at a future meeting of the Council'.

opportunities.		
In-house cleaning services - Scope to include commercial opportunities.	Expected Dec 2018 /January 2019	Review to be tasked September.
Early years and child care provision	Expected early 2019.	Review to be tasked Autumn.
March 2018 Council motion agreed that we would conduct feasibility work on the options for enhancing Highland bus services at the soonest opportunity by the redesign board once the details and outcomes of the Scottish Govt.'s forthcoming Transport Bill are known.	Bill published 8.6.18. Stage 1 begins 27.6.18 One aim of the Bill is to provide local authorities and Regional Transport Partnerships with the flexibility to improve bus services through partnership working with operators or, where there is a good case for doing so, local franchising or running services themselves.	Review to be tasked when legislation is confirmed.
<i>New reviews TBC – ideas from Members, staff, Trade Unions and other review activity.</i>		
Peer expenditure reviews (challenging all non-staffing expenditure)		
First reviews to be underway August 2018. Reviews can focus on all spend by Head of Service or specific team or by type of expenditure (subjective code) across all services.	Framework agreed by Board 15.5.18	Method used in Chief Executive's Office and identified £92k as service saving agreed for 2018/19. To be taken forward by Director of Corporate Services in 2018/19.
Commercial review		
Investing in solar PV on the Council's estate to generate income and reduce current energy costs.	Agreed February 2018 Corporate Resources Committee	Business case agreed for £2.3m of self-financing capital to install 2.5MW of solar PV on the Council estate, achieving the net profit projections of £4.01m over a 20 year period.
Lean reviews		
HR OH referral process	Showcase to Board June 2017	£62k in savings taken by the Service in 2017/18
Bulky uplifts	Showcase August 2017	£57k savings taken by the Service in 2017/18.
Fostering and adoption	Sept 2017	Should avoid cost as more foster carers will be recruited and more quickly and this will reduce reliance on more costly residential care and improve outcomes for children. Review led to in-sourcing administration on disclosure checks and this reduced time from 12 weeks to 4 weeks. ICT support required.

Commercial Waste billing	Oct 2017	Income achievement to be improved as more customers move to direct debit for payments and unpaid bills pursued timeously. ICT support required.
Facilities booking (School lets)	Oct 2017	Efficiency identified (number of steps reduced from 61 to 8 and more efficient use of buildings and staff); reduced cost in staff overtime expected. New income opportunities and income achievement (estimate of 10k- £20k in new income as lets of under £10 now charged and more prompt payment – bills have to be settled/ or payment plan in place before new bookings accepted as well as paying up front to avoid losses from no-shows). Central booking team in place since June 2018. Full achievement of change is dependent on new ICT solution.
Wrap around care early years	Jan 2018	£12k savings p.a. in postage costs, £270k cost avoided (£30k investment instead of £300k ICT solution). Income achievement to improve
Fly tipping	Feb 2018	Process improvements for customers and staff. No saving identified but potential to link to targeted enforcement and fines.
ASN allocation process	March 2018	Efficiency improved (once implemented steps could reduce from 49 to 18, timescale for allocation would reduce from 16 weeks to a maximum of 12) Scope for future savings as Business Support involvement would no longer be needed and there would be scope to re-focus ASN management.
Complaints	July 2018	The focus of the review is to: improve the customer journey and reduce the number of invalid complaints (currently ~35%); increase the number of complaints dealt with inside the 5/20 day deadlines (currently 43%/64%); increase frontline resolution and improve customer satisfaction with the resolution of complaints. There are no budget savings estimated.
Energy Billing	Underway	Savings potential from streamlining billing and improving accuracy of billing
ASN Transport	Underway	£50k saving estimated from earlier peer review.
Internal Audit	Underway	Not yet known.
Administration of Maternity Leave	Underway	Not yet known.
PAT Testing	Underway	Savings potential is a driver for this review.
Community Asset Transfer	Due to report in Autumn 2018	Aim to improve efficiency and take a strategic and more proactive approach to asset disposal. Savings are potentially available from avoiding

		ongoing running costs, speeding up asset disposal so avoiding future repairs and maintenance costs and the benefits of communities delivering more effectively on outcomes allowing a reduction in Council delivery. A more business-like approach to renewing leases is expected to generate income.
Travel hire desk	Light touch Lean challenge to be programmed for July 2018	Service savings already taken for 2018/19.
Review of all income processes	November 2018	To focus on income achievement for all services charged for.
Recruitment of seasonal workers (links to peer review)	To be programmed for results for 2019 season	
Passenger transport	To be programmed	
Street lighting repairs Review process from reporting to fault to fixing it.	To be programmed	
Project design unit 'small works' project cycle	To be programmed	
Housing repairs	To be programmed	
Property maintenance	To be programmed	
Burials administration	To be programmed	
Recruitment (including for cleaners)	To be programmed	
Review of car parking and roads teams agreed from car parking peer review June 2018	To be programmed	
<i>Further reviews to be identified by staff, Members, Trade Unions and different review activity.</i>		
Community Reviews – to be trialled in 2018-19 - an approach to reviewing services/functions with communities. Co-reviewing services with citizens and community bodies.		
Public transport in Caithness	To be programmed	
Public transport in Eater Ross	To be programmed	
Amenity/environmental works with partners in South Lochaber	To be programmed	
<i>TBC – and to use learning from 3 reviews trialled above.</i>		