

TRANSFORMATION AND CULTURAL CHANGE PROGRAMME



Update Report 21st August 2017

1 INTRODUCTION

At its meeting on the 6th February 2017 the Board were asked to note a report by the Interim Assessor which highlighted the requirement for, and intention to commence, a programme of investigation within the organisation aimed at establishing a financially sustainable position for the medium and longer term while maintaining service performance standards. The report also stated that the investigation would commence following the 4th May Local Authority elections and subsequent to consultation on formal Terms of Reference.

This report provides the Board with an update on the Transformation and Cultural Change Programme which was commenced on the 8th May 2017.

2 TRANSFORMATION AND CULTURAL CHANGE PROGRAMME

To ensure services can continue to be delivered effectively in the medium to longer term while reflecting the current environment of fiscal control within local authority funding, and also providing sufficient flexibility that allows the service delivery to meet any challenges that amended legislative requirement provide, a Transformation and Cultural Change Programme (the Programme) has commenced.

The Programme aims to test the current business model seeking realignment as necessary in order to meet the overall objectives.

Attached as Appendix 1 is a copy of the Foundation Document, copied to all staff, which sets out in some detail the vision for the future, drivers for change, how the Programme shall be carried out, and the anticipated outcomes.

3 TERMS OF REFERENCE

In terms of the Board's Policy on the Conduct of Reviews formal Terms of Reference require to be consulted upon and agreed with the Trade Union prior to the commencement of a review programme.

In connection with the Programme consultation has taken place with the Trade Union and agreed Terms of Reference are attached to this report as Appendix 2.

Consultation with the Trade Union shall take place throughout the life cycle of the Programme.

4 PROCESS INVESTIGATION

Following agreement over the Terms of Reference the first phase of the Programme formally commenced on the 8th May 2017. The first phase of the Programme concentrates on an investigation into a number of key processes that underpin delivery of certain functional activities.

In total seven key process areas are under investigation. These reflect the following headline activities, survey, appeals, revaluation, valuation, IER, canvass, and support activities. The principal aim is to challenge current thinking, re-establish priorities, and seek efficiencies and improvement.

These investigations are subject to individual project management under the control of a Project Board and progress is monitored against an established timetable. A version of this timetable is attached as Appendix 3.

5 STAFF COMMUNICATION AND PARTICIPATION

An important element to the overall success of the Programme is the level and quality of the communication with, and participation by staff.

During February and March the Interim Assessor held a number of meetings with staff outlining the issues that are faced by the organisation and how it was intended to tackle them. Subsequent to these meetings the Interim Assessor spent some time with the senior executive team during which further detail was added to the Programme and in particular the process investigation phase.

Many staff at all levels are currently involved with the investigations into the various key organisational processes and their willing participation is both welcome and vital.

A special area on the office intranet has been created to which staff are directed to receive update information on the Programme and view associated documentation

6 STAFF SURVEY QUESTIONNAIRE

As a precursor to initiating the Programme staff were issued with a questionnaire seeking their response to a number of questions focusing on various aspects of their employment. The results arising from the questionnaire provide valuable information concerning attitudes and perceptions and assist to underpin the Programme's aspirations in terms of cultural change.

Specifically the analysis of the returns indicates that the following headline areas require my attention and in which I intend to make improvements as part of the Programme outcomes; communication, interaction, training, leadership and performance review.

The full analysis is attached as Appendix 4.

7 SUMMARY/RECOMMENDATION

This is an exciting and ambitious Programme. However initial meetings with staff and managers, and the progress made so far, indicate that there is an appetite for investigation and change and a ready willingness to participate.

The Board is asked to note the content of this update and attached appendices and is informed that further update reports shall be provided throughout the programme life cycle.

Graeme Strachan
Interim Assessor and ERO

August 2017

TRANSFORMATION AND CULTURAL CHANGE PROGRAMME: A FOUNDATION DOCUMENT



1 INTRODUCTION

Lothian Valuation Joint Board (LVJB) provides a range of statutory functions that support the process of local taxation and democratic engagement.

These functions are represented by the creation and maintenance of the Valuation Roll, Council Tax List and Electoral Register.

The activities that are required to be carried out in respect of these functions are in the main defined by legislative provision and where necessary legal case law.

In terms of service delivery the duties of the Assessor and Electoral Registration Officer, operating on behalf of the LVJB, are driven by defined statutory requirement with limited ability to reflect on the specific nature and level of service provision.

2 THE VISION

As a public service provider it is essential that the Board is able to reflect, adapt and modernise to meet current stakeholder demands and the challenges that lie ahead. In a constantly changing and dynamic environment services must be delivered in an effective and efficient manner being aware at all times of the need to balance service delivery with best value.

Through effective and imaginative leadership the Transformation and Cultural Change Programme shall frame the Board in a forward focused position, ready to deliver quality services within, and part of, the wider local authority context.

3 DRIVERS FOR CHANGE

External pressures invariably provide the impetus and drive to seek change in organisations. These in turn assist with the identification of internal drivers that support the change process.

Such external pressures currently exist and combined with the vision outlined above provide an environment for change that shall be led by the Transformation and Cultural Change Programme. (The Programme).

3.1 Future Financial Sustainability

The Board is funded by way of annual provision from the four constituent authorities to whom it provides the services outlined. The current fiscal environment surrounding funding of local authorities and the services they provide is well documented and in many cases has led to considerable financial savings being achieved in-conjunction with significant re-engineering of councils business models.

The Board has for a number of years operated a year on year “standstill” budget provision primarily achieved via the short term policy of vacancy control. This approach has resulted in real savings being passed on to the Board’s funding authorities. Without reviewing the underlying business model that drives the organisation severe limitations exist in terms of further savings being achieved. The need to establish a financially sustainable position that shall support the delivery of the Board’s functions in the medium to longer term while at the same time acknowledging the overarching fiscal environment that local government now operates within is of real and pressing importance.

To achieve this the Board is required to examine closely how it provides its services, seeking significant improvements and efficiencies through a redesigned business model that shall continue to provide, and seek improvements in, an effective, customer focused, and best value driven service.

The need to establish a forward focused strategy that aims to deliver a financially sustainable position has been identified by Audit Scotland, the Board’s Treasurer and the constituent authorities.

3.2 Changes to Functional Requirement

Across all three functional areas either significant change has been introduced as a result of new legislation, or a high degree of uncertainty in terms of future service provision has arisen due to government reviews and consultations.

Electoral Registration changed significantly in September 2014 when Individual Electoral Registration (IER) was introduced and this necessitated a significant redesign of the way in which electoral services are provided within the Board. This process is in fact ongoing as further legislative changes are anticipated as the programme of transformation to IER finally comes to a close in coming years.

Council Tax has recently been subject to review and investigation by Scottish Government with many aspects that would impact on the Board being considered. However significant change was only reflected in the payment ratios between the higher Council Tax bands and the Government declined from committing to a revaluation or re-banding exercise which many considered essential to retain Council Tax as a feasible local taxation base.

The Valuation Roll, or Non Domestic Rating, is currently under review with many fundamental aspects under investigation. The outcome of the Barclay Commission is expected later in the year.

Clearly a level of uncertainty exists but the change to IER shows that the organisation is capable of adapting to meet the demands placed on it.

The Transformation and Cultural Change Programme shall endeavour, as far as is reasonably practicable, to provide the necessary flexibility that shall enable any required changes arising from a fundamental review of service delivery to be supported.

3.3 **Modernisation**

Modernisation is an over-arching driver which can encompass a range of issues. The nature of the Boards activities can easily lead to a stifling of ideas but this programme aims to encourage ideas for improvement to come forward, be assessed and implemented.

Modernisation however goes beyond the “how” and also provides a challenge to the “why” and the “who”. Established work priorities shall be challenged to ensure that the required service delivery is underpinned by focused and benefit assured activities. This also provides the platform to look closely at the resources available within the Board and how they are deployed ensuring that these are being used in an effective manner, providing sufficient flexibility, and supportive to the overall aims of the organisation.

Three further drivers, which in themselves are linked, can be identified flowing from the over-arching need to modernise the organisation. These shall underpin that requirement but in particular shall drive forward the detail of the Transformation Programme.

3.3.1 Process Improvement

Almost all primary and secondary tasks and activities within the organisation are delivered by the use of established processes.

The Programme shall seek to challenge the need for these processes, establish where improvements and efficiencies can be made, and identify the appropriate resource necessary to carry them out.

In so doing the Programme shall,

- Identify the primary activities and prioritise accordingly
- Challenge existing processes
- Examine and identify areas for change
- Seek out inefficiencies and waste
- Make improvements and efficiencies providing leaner processes
- Identify areas where ICT can provide benefit
- Challenge existing resource allocation to processes or parts of processes
- Establish the required resource requirement to support revised processes
- Review all areas of budget expenditure

3.3.2 Cultural Change

The requirement to modernise combined with a drive for process improvement must be supported by elements of cultural change within the organisation. Increased flexibility in the approach taken to workload management, a positive attitude to change and improvement, forward planning and visionary leadership are some of aspects of cultural change that shall support the Programme outcomes.

The Board has an excellent record of being able to adapt to changing requirements in service delivery, allowing the process of review and change to be undertaken. This positive attitude shall be utilised to help drive the Programme forward.

The Programme shall seek to provide,

- Effective and visionary leadership
- A positive atmosphere within which an empowered workforce can operate
- Increased levels of accountability and transparency for actions taken
- A strengthening of staff skills and developing a skilled and talented workforce
- An increasingly agile and flexible resource focused on a shared vision

- Create and maintain an effective and inclusive performance framework
- A culture that seeks beneficial improvement on an ongoing basis
- Short, medium and long term planning and associated project management across all activities
- Effective risk identification and mitigation

3.3.3 Customer Focus

Local Taxation and Electoral Registration appear to stand at different ends of the spectrum in terms of customer satisfaction. One function acts as an enabler, securing an electors right to vote, while the other functions of Council Tax and Valuation Roll are a means upon which tax is levied on the individual, commercial company, or organisation. Taxation by its very nature is generally not well received.

Notwithstanding this, it is essential that service delivery across all three functions is focused on meeting the requirements and expectations of the customer.

Importantly is the need to identify the different categories of customer and stakeholder and ensure that the expectations of each of these groups is defined and met.

The Programme shall aim to,

- Identify and define all relevant customer and stakeholder groups
- Ensure that services as defined by statutory requirement are delivered in an efficient and effective fashion acknowledging the increasing expectations of the customers
- Provide relevant information at the appropriate time in respect of services and service accessibility
- Engage and promote the services and profile of the organisation
- Where possible, engage in partnership working that aims to provide a better overall customer and stakeholder experience
- Where possible provide a one stop shop experience for the customer

4 OUTCOMES

A range of anticipated key outcomes from the Programme can be identified at this stage,

- Placing the organisation on a financially sustainable platform for the medium to longer term, recognising that future legislative changes could result in further review.
- A high quality better value service
- A motivated, empowered, agile and flexible workforce supported by an organisational structure focused on effective service delivery and best value
- A forward focused planning model underpinned by project management and risk assessment
- Improved, efficient and lean processes
- Increased customer and partner awareness

5 PROGRAMME TIMETABLE

The Programme aims to provide deliverables over the 2018/19 to 2019/20 timeframe with first outcomes of the Transformation Programme being reported during November/December 2017.

To assist with these deliverable dates a Programme Timetable has been created that aims to drive the change process forward. This is supported by specific and detailed project managed investigations.

6 PARTICIPATION AND COMMUNICATION

Crucial to the success of the Programme is the participation of, and communication to, key stakeholders.

These are identified as the LVJB staff, the Trade Union, the Board, and the constituent authorities. Each of these groups has a participatory role to play, and engagement has already commenced in that regard. Meetings have taken place with staff, the Trade Union, through the Joint Consultative Committee, the Board was advised at its meeting on the 6th February 2017 of the intention to undertake the Programme, there has been contact with the LVJB Treasurer and staff, and following further reports to the Board the constituent authorities shall be updated.

As the investigation into processes commences participation by staff shall be critical and every effort shall be made to encourage and provide opportunities for involvement, and that an open dialogue with staff is maintained throughout the Programme.

A timetable of Programme consultation shall be established with the Trade Union following the creation of Terms of Reference.

7 SUMMARY

This is an exciting and ambitious Programme. Initial meetings and conversations with staff and managers indicate that there is an appetite for investigation and change and a readiness and willingness to participate.

The Board and its staff are rightly proud of the quality services currently delivered but are ready for the challenge of continuing to deliver and improve services in a changing and more demanding environment.

Graeme Strachan
Interim Assessor & ERO

April 2017

TERMS OF REFERENCE

Notification

I hereby give formal notification of my intention as Assessor and Electoral Registration Officer for Lothian Valuation Joint Board to undertake a major review within the organisation. The review is to be known formally as the Transformation and Cultural Change Programme.

It is essential that the Board is able to continue to deliver its services within the fiscal environment that surrounds local authorities and is able to do so in the medium and longer term.

This requirement for future financial sustainability must be measured against the statutory nature of the services provided and recognise possible future changes to key areas of service delivery.

There remains however a requirement to ensure best value is being achieved throughout the organisation and that improvements and efficiencies are being identified and actioned.

Terms of Reference

There is an overarching need to seek modernisation throughout the organisation, in particular, focus shall fall on three principle areas, these being,

- **Process Improvement**

This shall involve investigations into current priorities that challenges why they are undertaken, how they are carried out, and by whom, and seeks to establish improvements and efficiencies, whilst ensuring resources are best placed to meet service demands and customer expectations.

- **Cultural Change**

Cultural change shall seek to introduce effective and visionary leadership, a positive atmosphere within which an empowered workforce can operate making use of a

strengthened skill set, and a culture of striving for beneficial improvement on an ongoing basis.

This shall be supported by a strategy of short, medium and long term planning, project management and risk identification.

- **Customer Focus**

Customer and stakeholder focus must aim to ensure that expectations and service delivery are properly aligned and that services are accessible.

The provision of information and engagement with the customer and stakeholder must be effective and provide the necessary customer experience.

The Programme shall aim to meet these expectations as an outcome of the other elements outlined above.

Anticipated Programme Outcomes

At this stage anticipated outcomes arising from the review are,

- Placing the organisation on a financially sustainable platform for the future delivery of services
- The identification of a high quality best value service driven by efficient and lean processes
- A motivated and empowered workforce
- The adoption of a forward focused planning model underpinned by effective project management and risk identification
- Increased customer and stakeholder awareness
- An amended staffing structure that supports the overall outcomes of the Programme

Service Areas Affected

At this stage I anticipate all work areas shall be considered under the Programme. As a result current staffing structures, job descriptions and associated grades, and staff numbers may be affected. The extent to which an area or staff post may be affected shall be revealed as a result of the investigations to be carried out.

Duration

Detailed investigations shall commence soon after agreement of the Terms of Reference and shall be conducted throughout the year.

The Board shall receive update reports on the Programme throughout 2017/18. At this stage, it is hoped that at the Board meeting of 13th November 2017 the update report shall provide an indication of the conclusions being reached.

Lead Officer

The Assessor shall be nominated as Lead Officer for the purposes of the review but all members of the Senior Management Group shall be available for consultation with the Trade Union.

Existing Structures and Job Descriptions

Current Job Descriptions are available on the office intranet and information regarding organisational staff structures are available for viewing by reference to reports submitted to Board meetings held on of 30th August 2004, 28th June 2013, 16th November 2015 and 26th November 2016..

Graeme Strachan
ASSESSOR & ERO

27 April 2017

TRANSFORMATION AND CULTURAL CHANGE PROGRAMME PROCESS INVESTIGATION TIMETABLE

- 1 Agreement of Terms of Reference by 4th May 2017
- 2 Preliminary investigation refined for IER processes, Support processes and canvass activity by 5th May 2017
- 3 Preliminary investigation refined for IER processes, Support processes and canvass activity by 5th May 2017
- 4 Staff update 8th May 2017
- 5 Publish investigation proposals and project management framework 8th May 2017
- 6 Initial investigation phase for source & survey, appeals, revaluation and valuation complete by 9th June 2017
- 7 Initial investigation for IER processes, Support processes and canvass activity complete by 9th June 2017
- 8 Staff update 19th June 2017
- 9 External validation of proposed approach with City of Edinburgh Council LEAN team by the end of June 2017
- 10 Detailed investigation phase for source & survey, appeals, revaluation and valuation complete by 29th September 2017
- 11 Detailed investigation for IER processes, Support processes and canvass activity complete by 29th September 2017
- 12 External validation of investigation process with City of Edinburgh Council LEAN team by the end of September 2017
- 13 Commence develop and test phase for prioritised processes 2nd October 2017
- 14 Staff update 2nd October 2017
- 15 Milestone 23rd Feb 2018 – develop and test phase complete for prioritised processes
- 16 Prioritised process rollout 2nd April 2018

Appendix 4 - Staff Questionnaire

No	Question	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree	No response	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree	No response
1	My work gives me a feeling of personal satisfaction	4	2	20	21	34	0	5%	2%	25%	26%	42%	0%
2	I understand how my work contributes to shared success	0	1	7	52	21	0	0%	1%	9%	64%	26%	0%
3	Communication in the office is effective	3	25	24	26	3	0	4%	31%	30%	32%	4%	0%
4	I understand the need for change	0	0	9	44	28	0	0%	0%	11%	54%	35%	0%
5	I support the need for change	0	0	14	37	30	0	0%	0%	17%	46%	37%	0%
6	My colleagues in the team work well together	0	2	8	40	31	0	0%	2%	10%	49%	38%	0%
7	Different teams work well together across the organisation	4	13	32	30	2	0	5%	16%	40%	37%	2%	0%
8	I am satisfied with my physical working conditions	1	6	13	45	16	0	1%	7%	16%	56%	20%	0%
9	My line manager clearly explains what they want me to do	0	8	7	42	24	0	0%	10%	9%	52%	30%	0%
10	I have the appropriate amount of information to make correct decisions about my work	1	7	11	51	11	0	1%	9%	14%	63%	14%	0%
11	My line manager listens to me and considers my suggestions	1	4	18	38	20	0	1%	5%	22%	47%	25%	0%
12	My line manager gives thanks and praise where it is due	2	9	9	34	26	1	2%	11%	11%	42%	32%	1%
13	I am kept well informed about changes that affect me	5	10	23	33	9	1	6%	12%	28%	41%	11%	1%
14	I feel comfortable speaking up and challenging the way things are undertaken	4	10	17	35	15	0	5%	12%	21%	43%	19%	0%
15	Reasons for change are well communicated to me	1	12	23	40	5	0	1%	15%	28%	49%	6%	0%
16	I have the tools and resources to do my job well	2	5	15	48	9	2	2%	6%	19%	59%	11%	2%
17	I am provided with the training I require to undertake my job effectively	2	5	15	48	9	2	2%	6%	19%	59%	11%	2%
18	I am given opportunities to improve my skills	5	19	22	27	7	1	6%	23%	27%	33%	9%	1%
19	My job makes good use of my skills and abilities	1	10	19	42	8	1	1%	12%	23%	52%	10%	1%
20	I consider that my performance is reviewed fairly	2	12	22	35	7	3	2%	15%	27%	43%	9%	4%
21	I consider that as an organisation LVJB are committed to customer service	0	1	8	49	21	2	0%	1%	10%	60%	26%	2%
22	The senior managers are open and honest with staff	4	12	24	34	5	2	5%	15%	30%	42%	6%	2%
23	I believe the senior management team have a clear direction for the future	2	8	32	33	5	1	2%	10%	40%	41%	6%	1%
24	I understand the Vision and Values of LVJB	1	3	22	42	11	2	1%	4%	27%	52%	14%	2%
25	I am treated with fairness and respect at work	2	3	11	46	17	2	2%	4%	14%	57%	21%	2%
Average		2	7	17	39	15	1	2%	9%	21%	48%	18%	1%

