

The Highland Council

**Resources Committee
25th February 2015**

Agenda Item	17(a)
Report No	RES/19/15

Corporate Improvement Programme

Report by Depute Chief Executive/Director Corporate Development

Summary

The Corporate Improvement Programme (CIP) is progressing with a target to achieve £5.98m in efficiency savings for the period 2013/14 & 2014/15. In addition, the process for delivering the agreed transformation and savings programme, as agreed by Council in December 2015, is underway.

1 Introduction

1.1 This report provides an update on the progress of the CIP. The programme is managed as a set of interrelated projects by Project Managers from the Corporate Improvement Team working with Project Managers from Development and Infrastructure and Finance. In turn, they report to the Programme Board which is chaired by the Chief Executive and includes all members of the Executive Leadership Team, with sponsorship of individual projects being the responsibility of members of either the Senior Leadership Team (SLT) or the Executive Leadership Team (ELT).

2 Progress Monitoring

2.1 The major focus of the CIP is the delivery of cashable efficiencies and development of a Target Operating Model which will introduce improved ways of working across the Council including:

- Effectively reducing the effort involved in serving customers, managing information and transactional activity in the back office.
- Securing contracts at less cost and increasing income.
- Modernising the Council and how we interact with customers.
- Reducing the amount of owned/leased buildings and the cost of maintaining the remainder.

3 Current Programme Status and Progress

3.1 The table below summarises progress against deliverables and savings. Further detail on the projects that are on amber is shown in the following sections. Overall progress against savings is good, however for the 2 year period of the programme there is a known shortfall in savings of £353k against the Schools Support elements of the business support project, £100k against the Customer Service Review element of the Digital First project, £100k against Income Generation and £100k against the Transport Project.

In addition a further £250k is at risk. This figure cannot be finalised as there are five months remaining on the current programme and remedial efforts may yet reduce this amount. These figures are also referenced in the Corporate Monitoring Report – a separate item on this agenda. The reasons for shortfall are dealt with in subsequent sections.

3.2

Project	Deliverable RAG Status	Savings RAG Status
Asset Management	Amber	Green
Business Support	Amber	Red
Digital First (formerly CCT)	Amber	Amber
Income Generation	Green	Amber
Mobile & Flexible Working	Green	Green
Managing Information	Green	Green
Procurement	Green	Green
Transport	Green	Green

3.3

	13/14	14/15	Total £m
Agreed Budget Targets	£3.00 m	£2.98 m	£5.98m
Predicted final position	£5.28 m		

4 Progress for Work Streams within the Programme

4.1 The report shows the status for each of the projects for the previous period and a short commentary of the reasons for any change. In addition to the information on the status of the projects within the programme, an update of the relevant developments or issues is also shown.

5 Asset Management

5.1 Status

5.1.1

Purpose	Asset Management has as its objective a reduction in the number of properties the Council owns and/or leases ensuring as full an occupation of remaining properties as possible. It relies on improved working practices from the Mobile and Flexible Working and Managing Information projects. This includes the work in Dingwall, Fort William and Wick.		
Target Savings	£ 478 k		
Achieved Savings	£ 492 k		
Deliverables	Current	Previous	
	Amber	Green	
Savings	Green	Green	
Comment	2014-15 year-end financial target efficiencies and savings are anticipated to be exceeded. The team has implemented numerous process improvements which help to deliver against		

	targets and objectives. Where good practice/continuous improvement is identified this is incorporated into current working practices.
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5.2 Update

- 5.2.1 Dingwall Office Project** - The Dingwall Office Rationalisation Project finished on 31st December 2014. The project reduced the Council's office estate from 9 to 5 properties in Dingwall and save revenue costs in excess of £129,000 per annum and has a target figure of £825,000 to maximise capital receipts from the disposal of surplus properties.
- 5.2.2 Fort William Office Project** - The Fort William Project is reaching final design brief stage with staff numbers and project costs being refined since completion of the original Committee agreed business case (2013). Discussions are ongoing with Transport Scotland and Historic Scotland around the existing site access and the listed building, and it is expected that a planning application will be submitted in April 2015. Discussions are ongoing with a prospective partner regarding a possible co-location at the Council's new office development. The target completion date for the new development is June 2017. Briefings have been held and are on-going with staff, Trade Unions and local Members.
- 5.2.3 Inverness Office & Service Point Review** – The agreed business case is presently being reviewed and will be updated during 2015. A workshop was conducted with the Council's Executive Leadership Team (January 2015) to re-visit and re-affirm the organisation's target operational requirements. Key stakeholder groups, including Members, Services and Trade Unions will be invited to engage with this key strategic review project in the forthcoming coming weeks.
- 5.2.4 Wick Office Project** – the construction works are due to be completed during March 2015, with staff moving into new offices targeted for April 2015. The new office will provide a single point for access to all Council Services. Staff are predominately located in open planned office enabling maximum flexibility in desk allocation. A clear desk policy will be implemented throughout the building ensuring that desks are occupied more efficiently and enabling staff to locate anywhere in the building. Discussions are currently in process with other public agencies to co-locate in the completed building.
- 5.2.5 Kingussie Office Project** – the construction works are anticipated to commence on site by the end of February/beginning of March and complete mid-November 2015. Staff are to be relocated to the newly renovated Court House with new extension to the rear Accommodation to include space for Police Service and to meet all Council Standards for Office Accommodation Space/Design Principles. The new extension and renovation of the existing Court House (listed category B) are designed in accordance with the Council's mobile and flexible working requirements.

6 Business Support

6.1 Status

6.1.1

Purpose	Business Support has as its objective to increase the standardisation and efficiency of “back office” or support processes to deliver the support the organisation needs at less cost.	
Target Savings	£ 683 k	
Achieved savings	£ 330 k	
Deliverables	Current	Previous
	Amber	Amber
Savings	Red	Amber
Comment	The largest part of predicted short fall for the BS Project concerns School Business Support. It is known that the £ 353k savings will not be delivered in this financial year. An assessment of savings to be delivered will be reported to the 20 May 2015 Education, Children and Adult Services Committee.	

6.2 Update

6.2.1 The new Personnel Admin Processes have been successfully running since 01/07/14, providing improved and more efficient processes in respect of Establishment, Recruitment and Contract Management. The second phase of this work is progressing well, with on-line payslips to be piloted in March 2015 and then rolling out to all Services. In addition, the Project will also deliver Employee Self Service processes by end of May 2015, to include recording of sickness absence and the submission and approval of expense claims. These new processes will provide ease of use for staff and reduce processing costs through avoidance of re-keying data.

Work is also progressing to enable external access to these on-line processes via the Council’s website, providing secure access from home and for staff without Council ICT accounts.

6.2.2 The school support element of this project is designed to improve processes and make best use of resources in delivering School Business Support. Ardnamurchan and Charleston are trial areas for new ways of working, and the results of those trials will be reported to the 20 May 2015 Education, Children and Adult Services Committee.

7 DIGITAL FIRST

7.1 Status

7.1.1

Purpose	Digital First aims to modernise service delivery and give an increasing number of customers the opportunity to access services online with the Council. It also seeks to increase the efficiency of and increase customer satisfaction. There is a target of all viable services being available online by April 2017 and 40%
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	of transactions being carried out on-line by April 2017.	
Target Savings	£ 155 k	
Achieved savings	£ 0 k	
Deliverables	Current	Previous
	Amber	Amber
Savings	Amber	Amber
Comment	The significant shortfall in savings status is due mainly to the delays to the customer service review, with a target to save £100k, and to a lesser degree the delays in delivering technology to support process change (£55k). The technology issues have been resolved and discussions are ongoing with Service management to realise savings from changes already implemented.	

7.2 Update

7.2.2 The project team are currently working on two groups of services; Finance Entitlements and Housing. By redesigning these a better service can be provided to customers and a reduction of the effort involved can be achieved. The team has recently completed the re-writing of all current online forms using a new software solution and these forms are now available for customers to access via the website.

7.2.3 In relation to the on-going development of the website a customer account portal is being developed in liaison with the Improvement Service. This development will be linked to the Scottish Government mygovscot website and myaccount login. The target for implementation is March 2015.

7.2.3 The project includes a number of initiatives to develop and encourage use of online services and customer communication, supporting the new website and ongoing service redesign. Initiatives include the use of email, SMS text and social media to communicate with customers, the move to digital services and forms as standard (including the introduction of digital champions), the development of digital branding, and support for customers to use our digital services.

8 INCOME GENERATION PROJECT

8.1 Status

8.1.1 Purpose	The project aims to deliver income to the Council predominantly in the form of : <ul style="list-style-type: none"> • Advertising and sponsorship • Increased charges • Income available via renewables projects
Target Savings	£ 1.118 k
Achieved savings	£ 0.981 k

Deliverables	Current	Previous
	Green	Green
Savings	Amber	Amber
Comment	Although aspects of the project such as advertising are on target this year, the project is unlikely to meet its overall target. Steps have been taken to appoint a Commercial Manager who will be responsible for developing a programme of work that will in future address this shortfall and increase the Council's ability to generate income. A separate report on the Income Generation Project has been submitted to the February 2015 Resources Committee	

9. MANAGING INFORMATION

9.1 Status

9.1.2

Purpose	The project aims to reduce both paper and electronic storage within the organisation, increase accessibility to information and reduce the time taken to retrieve it. The project enables office rationalisation by reducing the volume of paper information held and increases efficiency in the handling of documents.	
Target Savings	Formally there are no savings targets against managing information, however there is a significant contribution within this project to the Asset Management Programme.	
Achieved savings	Enabler for Office Rationalisation savings & other Service efficiencies.	
	Current	Previous
	Green	Green
Savings	Green	Green
Comment	Consideration is being made to adopting a savings target for managing information in future years. This is in recognition of the level of process efficiency that is becoming apparent against the time taken to retrieve records and information. Further measurement is required before the level of target (if any) can be set.	

9.2 Update

9.2.1 The Corporate Information Asset Register is now in place and an owner for all information assets has been identified. The register is managed by the Records Manager and a regular review programme has been put in place. Managers have been advised to complete the mandatory my online learning course outlining their responsibilities in relation to the Information Assets they own. The introduction of a Corporate Information Asset Register was a requirement to be met as part of the Information Commissioner's Office (ICO) audit; this action has now been signed off as complete.

9.2.2 Following on from the successful implementation of the satellite Corporate records store in Wick and more recently Dingwall, work is now underway in HQ to review all storage space, over 450 bags of confidential waste have already been removed from the building. The introduction of satellite stores

allows the Council to meet the requirements of the Public Records Act Scotland, enables office rationalisation and reduces effort around the management of records. All new stores are being created by making better use of existing storage space and staff. All requests to retrieve or transfer records are managed through the new Records Management portal.

9.2.3 Good progress has been made around moving information from 'Paper to Electronic'. Most recently, all tenant files in Inverness and Homeless Prevention case files across the Highland Council are now managed electronically which has significantly reduced time spent locating documents and increased the reliability of information held. Client information is more accessible to those officers who need to access the information and the change has been welcomed by officers who are keen to extend the use of the system to other areas of the business.

9.2.4 A similar project is currently underway to move all employee files from paper to electronic, this has already been achieved for Education employee files and those held by Business Support. Work is currently underway with HR to transfer the remainder of files held in the HR office.

9.2.5 The project continues to work with several business teams to review information holdings and implement changes to improve the way documents are handled. Four Graduates have joined the team on a 6 month internship to support the delivery of this work.

10 MOBILE SERVICES DELIVERY

10.1 Status

10.1.1

Purpose	It is recognised that opportunities exist to realise savings and improve service delivery from the deployment of mobile technology across the Council. The purpose of the Programme is to identify, qualify, prioritise and exploit those opportunities.	
Target Savings	The projected savings profile for the Programme have been agreed as:	
	2015/16	£0.128m
	2016/17	£0.256m
	2017/18	£0.128m
	Aggregate	£0.512m
Achieved savings	£ -	
	Current	Previous
Deliverables	Green	Green
Savings	Green	Green
Comment	The programme is in early stages and the Programme Definition Document will be presented to the next CIP Board later this month.	

10.2 Update

- 10.2.1** An assessment of potential opportunities to implement mobile technology to support service delivery is underway and engagement from business teams has been very positive.
- 10.2.2** Services have been asked to identify the functionality they would require from a mobile service. This information will be used to formulate a standard menu 'Offering' to suit the needs of Services and ultimately the citizens of the Highlands.
- 10.2.3** Requirements include; viewing and annotating plans, scheduling, workflow, case management and GPS tracking. These requirements will be weighted and will be used to create a specification for the procurement process.
- 10.2.4** In addition, a review of the current mobile offering in Housing is being undertaken to learn best practice, lessons and to get feedback from mobile staff, schedulers and where possible, customers.
- 10.2.5** Year one savings are predicated on the technology element of the project being delivered to plan.

11 PROCUREMENT

11.1 Status

11.1.1	Purpose	To deliver cashable savings through procurement.	
	Target Savings	£ 222 k	
	Achieved savings	£ 56 k	
		Current	Previous
	Deliverables	Green	Green
	Savings	Green	Green
	Comment	An annual saving of between £150 and £200K has been identified as a result of the recently completed tendering of Sheriff Officers services.	

11.2 Update

- 11.2.1** Phase 2 of the project was completed and signed off by ELT on 8th December. Phase 3 will involve implementation of the recommendations of phase 2. Whilst Procurement savings target was exceeded in 2013/14 the timing of savings is dependent on the letting of contracts, savings being identified, and service budgets reduced accordingly. It is still anticipated that the target for 2014/15 will be achieved. One significant contract regarding Sheriff Officer services has just been secured but savings of c£160,000 will not be realised until 2015/16. Work streams and working groups to deliver those recommendations will be set up within the next few weeks in the context of the implementation of new legislation, as soon as the main themes of the changes that new legislation will require become clear.

12 TRANSPORT

12.1 Status

12.1.1	Purpose	The project aims to ensure the most effective use of the available transport across the Highlands and the procurement of transport services at the most favourable rates.	
	Target Savings	£2.246 m	
	Achieved savings	Through the first round of contract variation activity which forms part of the transport programme, savings totalling £30,847 have been agreed with seven of the current transport service providers. Of this sum, it will be possible to reduce spending by £7,587 during 2014-15 and £23,260 in 2015-16. There is a known current year shortfall in savings of £100k.	
	Deliverables	Current	Previous
		Green	Green
	Savings	Green	Green
	Comment	The transport programme's primary focus will be on seeking to reduce the cost of contracts for school and public bus provision. Consultation to understand community requirements and priorities, and supplier development events with commercial and community transport organisations, will provide critical form to the proposals which Highland Council will take to market.	

12.2 Update

- 12.2.1 Community Services Committee of 5th February supported the recommendations detailed within the transport programme paper. (http://www.highland.gov.uk/download/meetings/id/67372/item_13_transport_programme)
- 12.2.2 Significant work is underway to prepare the consultation activity for Sutherland which will be the initial area for future services re-tendering. There will be workshops on 19th and 26th February with our transport programme partners (19th) and with Sutherland Members (26th), a briefing event on 12th March for current and prospective suppliers from the commercial and community sectors, public focus groups during March, and questionnaires for suppliers and for the public

13 RISK IMPLICATIONS

- 13.1 As part of the governance arrangements, each project maintains a risk and issue log that is reviewed monthly to ensure that remedial or preventative action is being taken where the project may be affected. Similarly a programme risk and issue log is maintained for programme level governance. Maintaining these registers enables the prioritisation of risk based on severity and likelihood and putting in place the necessary mitigating actions. There are currently no red risks.

14 RESOURCE IMPLICATIONS

14.1 There are no additional resource implications arising from this report with respect to the current programme; the future programme will be assessed for resource need at the detailed planning stage.

15 LEGAL IMPLICATIONS

15.1 There are no current or anticipated legal issues.

16 EQUALITIES AND CLIMATE CHANGE IMPLICATIONS

16.1 There are no implications for equalities or climate change as a result of this report with respect to the current programme; a new programme will be subject to an equalities impact assessment.

17 GAELIC IMPLICATIONS

17.1 There are no Gaelic implications as a result of this report

18 RURAL IMPLICATIONS

18.1 There are no Rural implications as a result of this report

19 RECOMMENDATION

19.1 Members are asked to:

- Note the progress with the delivery of the Corporate Improvement Programme; and
- Agree the action being taken to ensure savings are delivered.

Designation: Depute Chief Executive
Date: 11/02/15
Author: John Robertson, Programme Manager
Attachments: None