HIGHLAND COUNCIL

Agenda Item	**5**
Report No	**RB/03/21**

Committee: **Recovery, Improvement & Transformation Board**

Date: **29 March 2021**

Report Title: **Transformation Programme 2021-2022**

Report By: **Executive Chief Officer – Transformation**

1.   **Purpose/Executive Summary**

1.1   The Highland Council Transformation Programme for 2021/2022 update and next steps are presented for Members' consideration. This report is intended to provide the Board and officers with a reference document (*or Programme Initiation Document*) for the Transformation programme.

1.2   In the Revenue Budget Report 2021/22 to 2023/24 Members agreed to progress nine key transformation projects under a single Transformation Programme. This report provides an update to the Recovery, Improvement & Transformation Board (RITB) on the next steps referred to in the 04 March 2021 Council Report, ensuring that the Programme is effectively established and progressed as intended; including background, governance, the role of sponsors and strategic committees, progress to date and next steps to get the programme started. Further detailed information on the 9 projects can be found at appendix 1.

1.3   The Recovery Board's successful approach provided strategic oversight and coordination of the Council's Recovery Action Plan, and was founded on making judicious use of a Programme Management Office (PMO) approach and managing by exception. In the same way, the Recovery, Improvement and Transformation Board (RITB) will provide the overall strategic coordination of the Transformation Programme to include monitoring, evaluation and reporting to Council.

1.4   The Strategic Committees and Redesign Board supported by designated Member/Officer working groups will work closely with respective Sponsors to deliver and implement their respective projects. Further information regarding the agreed programme governance is provided later in this report at section 8.

2.   **Recommendations**

2.1   Members are asked to note,

        i.   the research & background regarding the detailed programme approach.
        ii.   the adoption of best practice for programme management
        iii.   the programme governance arrangements
        iv.   the progress to date
        v.   the programme next steps

3. Implications

3.1 **Resource:** With forecast costs of £2.25m in 21/22, and overall costs of £3.686m (reflective of some projects being up to 24 months duration), the proposed Transformation Programme is forecasted to deliver estimated £18.7M of savings, efficiencies, cost mitigation and cost avoidance.

3.2 **Legal:** While there are no presenting legal implications arising from this report, Sponsors will seek legal advice and take appropriate actions as required and as individual projects are progressed.

3.3 **Community (Equality, Poverty and Rural):** All of the Recovery and Transformation workstreams will embed our equalities and Fairer Scotland duties. This will include undertaking impact assessments to inform proposals and decisions which will be informed by continuous engagement with partners and communities.

3.4 **Climate Change:** The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 sets a target date for net-zero emissions of all greenhouse gases by 2045 for the economy and society using the Just Transition principles, whilst The Highland Council has itself set a target of 2025 to achieve a carbon neutral Highland. The Just Transition principles could directly support economic recovery post Covid-19 and help enable Highland to lead the move towards a net zero economic and social model. The actions and projects to further address Climate Change and the declared Climate Emergency are detailed in this report.

3.5 **Risk**: The 4 harms of Covid are categorised as the direct health impact of the virus, other health impacts, societal impacts, and economic impacts. All pose a significant risk to the Council's overarching strategic objectives; to the delivery of core services; and to the health and wellbeing of our staff and the wider public. Risks also arise from the uncertain trajectory of the pandemic which makes it difficult to plan ahead and requires multiple contingencies to be considered and regularly reviewed. The PMO, working closely with Sponsors, will maintain, monitor and report via a programme Risk Register. The PMO will liaise with Corporate Audit & Performance in order to cross-reference programme risks with the Corporate Risk Register.

3.6 **Gaelic:** There are no specific Gaelic implications arising from this report. Opportunities to promote and enhance Gaelic will be picked up across a number of the workstreams.

4. Background

4.1 The Highland Council has continued to work hard to maintain key services for our communities despite increasing challenges and pressures which were apparent prior to March 2020. Since then, the Council has adapted to the challenges arising from the Covid-19 pandemic which has involved emergency response, an increased need for resilience and recovery, and more recently, the provision of new and expanded workstreams while also delivering the Council's core business activities.

4.2 With Member support and programme approaches, collaborative working across Services, with partners and communities, the Council has made steady progress against a comprehensive Recovery Action Plan (latest report 29 March 2021). By evolving these approaches and utilising Programme Management Office (PMO) techniques, supported by a Board, it is anticipated that the Council will be able to meet the challenges ahead and deliver this ambitious Transformation Programme.

4.3   Effective monitoring of the Recovery Action Plan and reporting by exception, reinforces that objective and relevant data are essential and appropriate governance supports timeous reporting of key workstreams. This strategic approach was introduced through the Recovery Board acting as a PMO, has enabled Members, Officers, partners, communities and the public to track progress. This has also provided the Recovery Board with the information required to provide scrutiny on behalf of the Council and provides support to Strategic Committees.

4.4   This ambitious programme builds on the Programme Management Office (PMO) approach used for the implementation of the Council's Recovery Action Plan. This report sets out how the Council will advance its Transformation journey and support the delivery of future change required to meet new challenges and deliver improved outcomes for Highland Citizens. This approach will also support the response to the four harms of Covid and the commitments of the Council's programme through effective and targeted Programme Management techniques, a dedicated Board and robust governance.

4.5   In order to achieve this programme, the portfolio of projects set out in the Budget paper 4 March 2021 have been approved to take forward the fundamental transformational change that the Council must undertake while at the same time, supporting the delivery of existing savings. This rolling programme will deliver material benefits. Against a predicted spend in 21/22 of £2.25M, and an overall spend of £3.686M over two years, (some projects will be up to 24 months in duration), the forecasted cashable benefits from this programme are expected to exceed £18.7M.

4.6   By its very nature the Transformation Programme will support the delivery of approved/proposed savings, cost avoidance, cost mitigation and identifying new savings for the coming years. The strategic business analysis, which is intrinsic in the programme, will act as a focal point of data and information to inform future change initiatives, savings and efficiencies and support medium-term financial planning. Paragraph 6.3 also refers.

4.7   The summary for each of the projects is at appendix 1 of this report. The mandate for the programme agreed on 4 March 2021, means that these projects, governed utilising the PMO reporting to the RIT Board, (formerly the Recovery Board) can now commence. This will enable Members to continue to strategically coordinate and oversee Recovery and the Transformation programme. Next steps for the programme are discussed at section 9.

4.8   To provide context regarding the Board's scope the next section briefly describes the research that supports the programme including types of change and best practice.

5   Research

5.1   Within the Transformation Service, staff have conducted substantial secondary research in order to understand how best to support Transformational change. Transformational change and medium to long term financial sustainability are inseparable: the more-we strive to be a high performing organisation, the greater capacity there is to reduce excess spend, and the more targeted resources will be in delivering desired outcomes for our citizens. Detailed research regarding drivers for change is presented at appendix 2 to this report.

5.2   Critically, in 2018 in their joint report on Transformation, CIMA[1] & CIPFA stated that *"Transformation involves a significant change in approach to an organisation's*


[1] CIMA – Chartered Institute of Management Accountants

operating model, technology, process and/or service delivery, in order to deliver better outcomes and improve efficiency. In local government, achieving this may include managing change, building and maintaining relationships with external partners and developing new financial structures as well as developing or procuring new skills and capabilities more commonly found in the private sector."

5.3   CIMA/CIPFA research explored current and future practice among local government organisations across 48 countries as they seek to fulfil the demands of politicians, citizens, businesses and other constituents within increasingly diverse communities. It established that local authorities must simultaneously address four key aims and meet the ongoing challenge of 'doing more with less'. These four key aims, known as 'the **Four T**'s', are to:
  1- actively pursue the **transformation** of public services
  2- enable the necessary **technology** to support this objective
  3- respond to increasing public demand for **transparency**
  4- contend with the difficulty of recruiting, developing and retaining **talent** in an increasingly competitive market.

5.4   Reporting in the "Audit Scotland Local Government in Scotland: challenges and performance 2019", the Accounts Commission emphasised that *"effectively led councils recognise that the financial and demand pressures mean that planning and implementing changes to find efficiencies alone is no longer enough, and that redesigning service delivery is needed and there is clear recognition of the need for more radical change."* Members, officers, partners, citizens and communities clearly have a fundamental role in driving this transformational change forward.

5.5   **Types of Change** It is worth noting at this point that change and improvement can be considered at different levels. The diagram below represents the different types of changes. Considered left to right, in terms of complexity and risk but from right to left in terms of priority of investment.
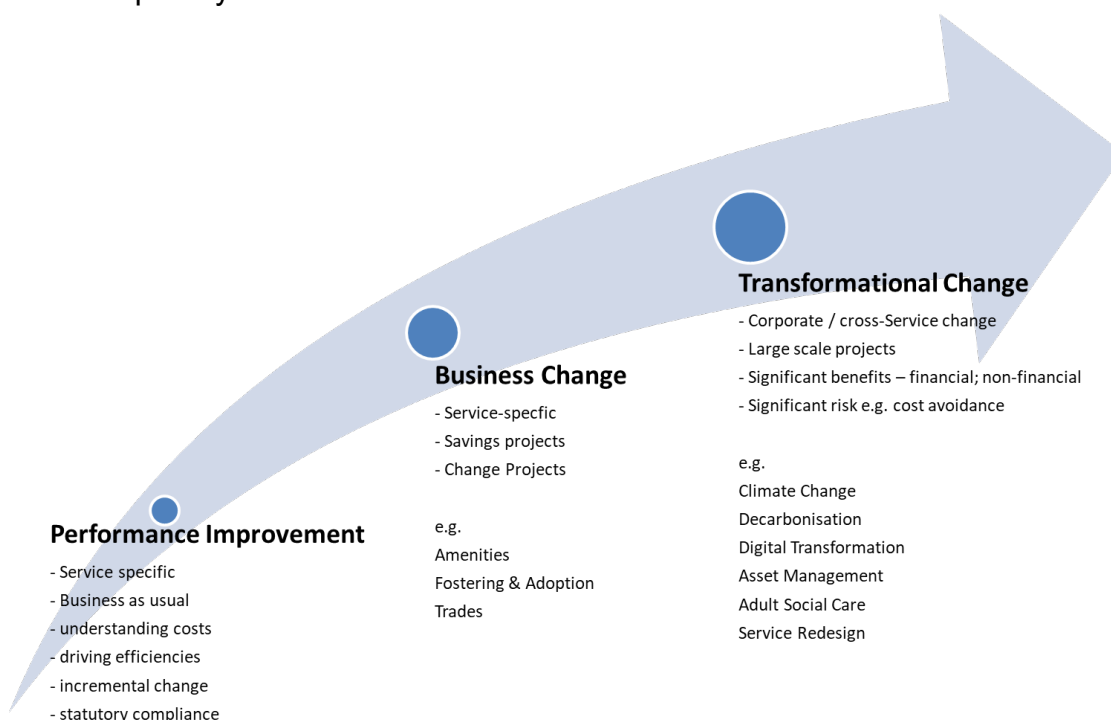
5.6   The three levels of change are described below:

- **Performance Improvement:** this level of change is what we should all expect to be able to achieve within *business as usual.* This change can generally be delivered at Service level. We should not think it is any less challenging for Managers and Members alike, as such improvements will require adjustment to services and therefore the need to manage customer expectations.

- **Business Change**: this level of change is again achievable within Services but is most likely not business as usual and requires additional project management resource to support delivery. Being more complex, the norm would be for a Board within the Service to be established and progress reported to the respective Strategic Committee and Redesign Board, as appropriate.

- **Transformational Change**: Transformational change occurs in response to, or in anticipation of, major changes in an organisation's environment or technology, e.g. COVID-19 pandemic, Brexit, Climate Change, Digital Transformation. These changes often are associated with significant revision of the organisation's strategy, which in turn requires modifying internal structures and processes as well as its corporate culture to support the new direction (Cummings and Worley, 2009).These changes present the highest requirement for resource and monitoring and will normally affect the whole organisation. Large scale projects with broad reaching implications, require higher levels of scrutiny and are best served with dedicated corporate-level boards, such as the Recovery Board. The proposed governance for the Council's change programme is discussed later.

5.7 **Programme Management** – key features and best practice. Programme management frameworks are essential for the execution and delivery of programmes, strategies and benefits and specifically enable the realisation of project benefits.

Adherence to the following principles is essential to successful programmes and the approach, tools techniques used to address each principle should be proportionate to the scale and nature of the programme or project

5.8 Extensive research has been undertaken this year to provide assurance that our programme approach reflects best practice and successful methodology. The following table presents the Scottish Government's recommended approach[2] to programme management and compares this with the Highland Council's own progress and actions.

Theme	Sottish Government Guidelines	Highland Council response
Approach	The approach to managing programmes and projects should be proportionate, effective and consistent with recognised good practice.	*The approach being adopted by the PMO with oversight by the RITB is based on research, best practice and recognisable tools and techniques to support the programme.*
Business case	Programmes require a mandate for our work. Through the Business case, the Board can identify,	*The PMO will support the Board by ensuring all Business Cases are*

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[2] Scottish Government – Programme and project management principles.

	record and evaluate objectives and options for meeting them. The Board are empowered to ensure that we secure and maintain management commitment to our selected approach	*drawn up and available for scrutiny. See section 9.*
Roles and responsibilities	Clear roles and responsibilities must be assigned to appropriately skilled and experienced people and ensure their levels of delegated authority are clearly defined	*Roles and responsibilities are clearly defined in this report in section 8*
Benefits	Benefits must be understood, recorded and there should be a plan to deliver them and evaluate our success	*Benefits plans will be drawn up for each project and made available to the Board*
Risk	Risks that could affect the delivery of benefits are identified, understood, recorded and managed	*Projects will maintain risk registers and the PMO will also maintain an overall risk register for the Board and link in the with the Corporate Risk process, as appropriate.*
Planning	Project plans must be developed and show when objectives will be met and the steps towards achieving them, including appropriate assurance and review activities, and re-plan as necessary	*All projects will make plans available to the PMO for scrutiny and progress against them monitored by the Board, focusing on exceptions*
Resource management	Resources need to be identified both financial and other resources, inside and outside the organisation, required to meet the objectives	*The PMO will maintain monitoring against the Change fund. Please see appendix 3 for template that will be maintained. Recruitment to Project teams is underway. Details later in this report*
Stakeholder engagement	It is important to understand those affected by the programme and its projects and engage them throughout the process from planning to delivery	*Each project will have a stakeholder management strategy and through the enhanced communications resource (7.2 below) stakeholder engagement will be maintained as directed by the Board or required by the Communications strategy.*
Transition	Ensuring that the transition to business as usual maximises benefits and that operational delivery is efficient and effective is	*The PMO will ensure the Board has all the information it requires to make any determination*

	an essential part of any project and programme	*that a project is ready for transition to Business As Usual (BAU) by enabling reporting of benefits.*
Lessons	Record lessons from programmes and projects and share them with others so they may learn from our experience	*The PMO will maintain an overall Lessons Log which will in turn be fed by project lessons learned reports*

5.9   In summary therefore, *Programme Management* can be described as the co-ordinated organisation, direction and implementation of a portfolio of projects and activities that together achieve outcomes and realise the benefits that are of strategic importance to the Council. The governance and approach of the PMO detailed in section 8 fully supports this statement.

6   **Transformation Programme & Forecast Cashable Benefits**

6.1   The Transformation programme consists of the following projects:
- Economy
- Asset Rationalisation (including new ways of working)
- Service Redesign
- Roads & Transport
- Social Care
- Waste
- Climate Change
- Digital Transformation
- Procurement and Contracts Management

Appendix 1 provides a summary of the projects.

6.2   The Transformation projects have been identified as a result of extensive work undertaken to:
- address the challenges and drivers for change as discussed in this report
- ensure alignment with, and support the delivery of, the Council's Programme and Corporate Plan
- support the Council's medium-term financial strategy including delivery of cashable benefits for 21/22 and beyond
- build on the Council's Change and Improvement Strategy and the Recovery Action Plan.

6.3   The forecasted benefits as detailed at 3.1 currently excludes:

- external funding to support the Council's Economic Development Strategy

- opportunities to deliver the maximum share for Highland from funds such as the Infrastructure Investment Fund or the Shared Prosperity Fund

- the release of capital value

- the reduction in/removal of significant future year revenue budget liabilities including repairs & maintenance, insurance and non-domestic rates

- the creation of a more effective estate which can help deliver better and more streamlined business outcomes

- the reduction in carbon emissions and greater energy efficiency

- the modernised information management and data security

- bringing external funding in to support low carbon and cost saving projects (principally around fleet decarbonisation). Examples at appendix 2.

As projects develop, further information will become clearer and reported as part of PMO process.

7 Resourcing the Change

7.1 Programme Management Office (PMO)

Appropriate resource allocation will support the single structure to assist the delivery of change, initiatives and transformation. The PMO will essentially be the nerve centre and centre of expertise for programme and project management. In addition, the PMO will be the information hub of the programme, while fulfilling a monitoring role, and controlling and co-ordinating activities for the programme. The PMO will set, maintain and ensure standards for project management across the Council, promote best practice, and track project status and direction — all in one place. Additionally, good governance and project management guidance are delivered by the PMO. The PMO will provide:

- Programme Management
- Programme Board support
- Programme Assurance
- Programme Coordination
- Programme Administration
- Project Manager Mentoring
- Project Management Methodology
- Project Meeting Support
- Project and Programme Governance
- Project and Programme Management Support
- PMO Metrics and Reporting
- Business Case Validation

7.2 Enhanced Communications

Communications resource is available to support ongoing resilience and pandemic communications with a specific focus on enhanced staff engagement and public relations. Key areas of work include communications to support economic recovery activities e.g. local investment plans such as Skye & Raasay infrastructure investment plan. Communications will also support large Transformation projects, such as asset rationalisation, where staff engagement will be key. Other areas include supporting area committees, Brexit/Shared Prosperity impact and lobbying, assisting with new funding coordination, ongoing digital transformation, engaging with communities, public and staff through various mediums, including the additional development of digital/video communications solutions.

7.3   **Recovery, Improvement and Transformation Fund**

Previously referred to as the Change Fund, the Recovery, Improvement & Transformation Fund is an annual recurring budget of £2.25M. As reported to 04 March 2021 Council, and as referred to at appendix 4 of this report, sums from this budget have been allocated across the portfolio of projects identified to provide the resource needed to take forward the transformational change that will support the delivery of existing savings and the Council's approach to medium term financial planning. Against a forecast spend in 21/22 of £2.25M, and an overall forecast spend of £3.69M over two years, (some projects will be up to 24 months in duration), the forecasted cashable benefits from this programme are expected to exceed £18.7M

8   **Programme Governance**

8.1   Governance is about the structures and processes for decision making, accountability, controls and behaviour throughout the Council to get the work done and for projects to be delivered. The positive progress made in respect of the Council's Recovery Action Plan is a good example of the effectiveness of the Programme Management Office (PMO) approach and therefore the PMO approach will be utilised for the Transformation Programme.

8.2   A single Recovery, Improvement and Transformation Programme using a Programme Management Office approach will provide exception reporting and monitoring of the key elements of good project governance enabling scrutiny of **Time, Cost, Quality, Risks, Scope**, for each project and the monitoring of **benefits**.

8.3   **Recovery, Improvement & Transformation Board** (RITB) formerly The Recovery Board. Adopting the same approach as the Council's Recovery Action Plan, the RITB will provide the overall strategic coordination of the Transformation Programme to include monitoring, evaluation and reporting to Council. The Strategic Committees and Redesign Board, supported by designated Member/Officer working groups, will work closely with respective sponsors to deliver and implement their respective projects

 The RITB will:
• Provide strategic oversight and co-ordination for the Transformation Programme & Recovery Action Plan in order to lead recovery from the consequences of COVID-19;
• Provide a single point of co-ordination for internal and external recovery efforts;
• Lead the facilitation of external and internal collaborative partnerships required to deliver Recovery;
• Consider and assess the implications of national decisions on the pandemic response as they impact on the Programme;
• Identify strategic risks to the Programme including implications from the COVID-19 emergency response, and develop mitigations; and
• Report and make recommendations for the Highland Council to ensure effective delivery of the Recovery, Improvement and Transformation Programme; Investment Fund initiatives; and the Recovery Action Plan.

8.4   **Project Sponsors**.

8.4.1   Each project has a dedicated Sponsor and Lead. Each of the sponsors is a member of the Executive Leadership Team with overall accountability for the project or programme. They will be joined by an ECO peer reviewer who will provide additional

support and impetus to each project, whilst also benefitting from broadening their understanding of service delivery areas outside of their formal remit.

8.4.2 Project Sponsors ensure the delivery of agreed business benefits and act as the representative of the organisation, playing a vital leadership role to:
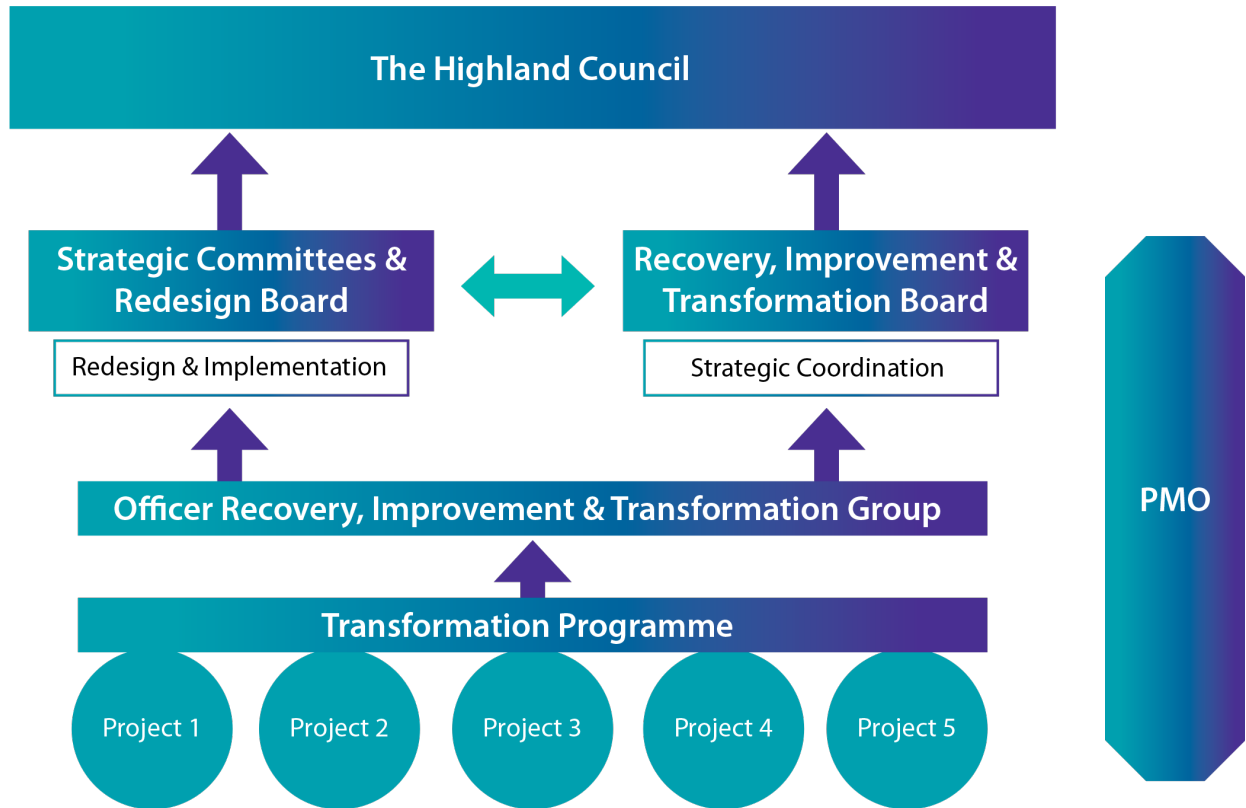
- Provide business context, expertise, and guidance to the project manager and the team;

- Champion the project/programme, throughout the organisation to ensure capacity, funding, and priority for the project;

- Act as an escalation point for decisions and issues that are beyond the authority of the project manager;

- Act as an additional line of communication and observation with team members, customers, and other stakeholders; and

- Act as the link between the project/programme, business as usual, The Board, strategic committees and Council.

8.4.3 **Project Sponsors and Strategic Committees:**

Project	Sponsor(s)*	Political Governance
Economy	**ECO Infrastructure & Environment** *ECO Performance & Governance*	Economy & Infrastructure Committee
Asset Rationalisation	**ECO Property & Housing** *ECO Education & Learning*	Redesign Board and Strategic Committees where appropriate
Service Redesign	**ECO Transformation** *ECO Resources & Finance*	Respective Strategic Committee. Full Council
Roads & Transport	**ECO Infrastructure & Environment** *ECO Transformation*	Economy & Infrastructure Committee
Social Care	**ECO Health & Social Care** *ECO Property & Housing*	Health, Social Care & Wellbeing Committee.
Waste	**ECO Communities & Place** *ECO Infrastructure & Environment*	Communities & Place Committee
Climate Change	**ECO Infrastructure & Environment** *ECO Communities & Place*	Economy & Infrastructure Committee
Digital Transformation	**ECO Infrastructure & Environment** *ECO Performance & Governance*	Corporate Resources Committee
Procurement & Contracts Management	**ECO Resources & Finance** *ECO Health & Social Care*	Corporate Resources Committee

Sponsor/Peer ECO

8.5   Chaired by the Chief Executive, the ECOs (Officer Recovery, Improvement and Transformation (ORIT)) group will meet on a three-weekly basis (or more frequently as required) to complement the Board's work and undertake monitoring and tracking of progress to carry out programme assurance and ensure officers' integrity of progress.

8.6   An overview of the governance organisation is shown below.

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                    The Highland Council
            ↑                                    ↑
  Strategic Committees &          Recovery, Improvement &
     Redesign Board      ←→        Transformation Board
  [Redesign & Implementation]     [Strategic Coordination]
            ↑                              ↑                    PMO
  Officer Recovery, Improvement & Transformation Group
                        ↑
              Transformation Programme
   (Project 1) (Project 2) (Project 3) (Project 4) (Project 5)
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Further explanation of Roles & Responsibilities can be found at appendix 5

9   **Programme – next steps**

9.1   Following approval at 04 March 2021 Council, each of the projects described at section 7 above and at appendix 1 have a mandate to proceed with an outline business case, a Lead Sponsor and Governance arrangements. Initial key milestones for each project have been identified based on the above, and these are:

1. Resource project teams via a rapid recruitment campaign and
2. Assemble Project teams as required
3. Agree roles & responsibilities – complete as per this report
4. Refine and issue a full Business Case for each project
5. Establish Boards (project level)
6. Produce a detailed Project Plan including key milestones
7. Develop initial Risk Register
8. Develop provisional benefits plan
9. Produce a Project Document set for each project (tailored & proportionate).
10. Conduct initial Project Board meetings.
11. Prepare initial RITB reports.

The intention is for these actions to be completed and reported to the next RITB on 25 May 2021.

9.2   An essential first step in getting the programme underway is resourcing and assembling project staff and teams as quickly as possible. This is recognised by the Executive Leadership Team and supported by the Council's Talent Team, HR and business support, with lead officers focusing on a priority recruitment campaign. Job and person specifications have been assembled and positions will be advertised via My Job Scotland, our own Intranet, Twitter, Facebook and with other public sector partners.

9.3   The process of recruiting to the project/programme has commenced. Some project and programme staff (13.25fte) have already started taking the work forward in: the PMO; Asset Rationalisation – phase 1; Social Care; Waste and Enhanced Communications. This also supports the Council's commitment to developing our staff and "growing our own".

        A further 7 posts were advertised on 16 March 2021, in respect of roles in the: PMO; Supporting the Economy (planning workstream); Social Care and Climate Change. Work is progressing to take forward the recruitment to the remaining 19 posts over the coming weeks.

9.4   An example of a Project Initiation document (PID) is at Appendix 6 by way of illustration to provide Members with a better understanding of the work required and the benefits from producing such documentation. The PMO will provide guidance, support and project template document sets for each of the projects which will be tailored and proportionate, with an outline programme plan for reporting to the RITB on 25 May 2021.

9.5   Transformation staff are currently investigating options for onward reporting of the Recovery Action Plan and innovative ways to present exception reporting of the transformation projects to the Board in a focused manner. This approach aims to regularly appraise Members and stakeholders on key elements of each business case including:
        • project continuing **viability** – offering value for money,
        • continued **desirability** – will realise the benefits and
        • that each project remains **achievable**

        Monitoring and good project governance reporting on Time, Cost, Quality, Risks, and Scope will be provided and will include details of the realised benefits.

9.6   Future reporting of the Transformation Programme is being explored and the team is keen to present innovative ways to clearly and succinctly evidence progress to the RITB. Members will be aware that we made use of existing IT (PRMS) for the Recovery Action Plan, and a number of other solutions are on offer. Because of the complexity and size of the 9 projects, the business requirement is now more complex. Along with ICT colleagues and Microsoft partners, initial work indicates that a promising solution is available utilising existing ICT solutions at negligible cost. This will not only meet the business needs of project management but also exceptions reporting. The intention is to deliver a presentation of this software to a future RITB meeting.

10   Transformation Support to PMO

10.1   PMO staff are qualified at industry standard level for Project and Programme Management (e.g. Prince2 and Managing Successful Programmes) and will continue

to be provided with training and development opportunities, as well as mentoring and coaching, to support staff and the team capacity.

The PMO is also responsible for the continuous training of project teams and offers project management and software training as necessary. This includes providing guidance to boards, Project Management training for officers and familiarisation sessions for Members as required.

The PMO works with external organisations and networks as part of a continuous improvement of the knowledge and capability for the team and for the benefit of the Council. An example of this is the work with the Improvement Service and active participation in the Change Managers Network that has representation from 29 of the 32 Scottish Local Authorities. The PMO is leading the Change Managers Network event on 23 February 2021, on aspects of our approach to managing Transformation.

Designation: Executive Chief Officer – Transformation

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Date: 19 March 2021

Background papers

Highland Council -4th March 2021 Revenue budget 2021/22 to 2023/24

Highland Council 25 June 2020 Recovery Action Plan & subsequent updates

Recovery Board Report 25 June 2020, minutes and updates to 23 Jan 2021

Audit Scotland Local Government in Scotland: challenges and performance 2019, the Accounts Commission

A Sustainable Highland Change & Improvement Strategy 2020.2022

Housing & Property Committee Date: 10th December 2020

E&I Report 1 July 2020 – Economic Recovery

E&I Report 7 Feb 2021 Economic Recovery

Climate Change Working Group Date: 17 October 2019

Climate Change Working Group 29 January 2021

Brexit Working Group minutes – various 2020
Deloitte - Workforce strategies for a post-COVID-19 recovery

https://www.mckinsey.com/industries/public-and-social-sector/our-insights/putting-people-at-the-heart-of-public-sector-transformations

https://www.themj.co.uk/No-time-for-transformation/219586

https://www.civilserviceworld.com/news/article/how-coronavirus-is-accelerating-digital-transformation-in-local-government

https://www.rsmuk.com/-/media/files/consulting/prince2-project-board-survival-guide.pdf

https://www.cgma.org/content/dam/cgma/resources/downloadabledocuments/transformation-improving-government-k

Appendix 1 Transformation Programme Portfolio

The portfolio of projects have been identified as a result of extensive work undertaken to:

- address the challenges and drivers for change as discussed earlier in this report.
- ensure alignment with, and support the delivery of, the Council's Programme and Corporate Plan
- support the Council's financial strategy including delivery of cashable benefits for 21/22 and beyond
- build on the Council's Change and Improvement Strategy and the Recovery Action Plan.

The portfolio of projects identified to take forward the fundamental transformational change led by Strategic Committees will support the delivery of existing savings and the Council's approach to medium term financial planning. Against a predicted spend in 21/22 of £2.25M, and an overall predicted spend of £3.686M over two years, (some projects will be up to 24 months in duration), the forecasted cashable benefits from this programme are expected to exceed £18.7M . As Members will be aware and as reported at 1.3, the annual recurring Change Fund budget is £2.25M.

The forecasted cashable benefits of £18.7M excludes other likely benefits such as capital receipts as a result of the disposal of some offices as part of the Asset rationalisation/New Ways of Working project, and new funding streams that we may secure as a result of the programme investment, such as those reported under Climate Change, and new additional/income receipts such as renewable energy initiatives, e.g. Identification and development of energy and fleet projects with partners which can secure external funding through Scottish Cities Alliance, COSLA, Sustainable Scotland Network and Salix funding.

Economy

This project aims to address the challenges of dealing with economic recovery and the opportunities that will come from the investment into the Economic Prosperity Fund set out above, further transformation in the Council's economic development teams will bring significant benefits.

This project has 2 workstreams: **Growth Investment** and **Planning**.

Growth Investment

The proposal is to create a new post, for up to 24 months, of Growth Investment Manager to identify and attract additional public and private sector investment to the Highlands. Historically in the Highlands this role has been mainly seen as a function for HIE and the Council has focused on providing economic strategies, planning policy and strategy and also been the delivery vehicle for various employment initiatives and more recently supporting small businesses through Business Gateway. The local authorities with the highest success rates for attracting inward investment in England and Scotland have taken a more pro-active role in promoting their areas working in partnership with the local economic agencies, national government and private sector to maximise investment levels in their area. An increase in external investment to the Highland area will be a key outcome of this work. Supporting the Highland economy is key to post-Covid recovery. In order to take a lead role, the Council requires a resource to work with partners to ensure that the Highlands maximise the opportunities available particularly zero carbon and other green economy initiatives which we anticipate will be the focus of future government and private investment. This post will work closely with HIE in order to enhance the partnership approach and joint working and discussions will take place as soon as practical.

Planning

This project will provide a dedicated point of contact for developers to support economic recovery and development. For time critical "major" projects it is necessary for a developer to discharge/purify planning conditions either prior to the development commencing or prior to the site becoming operational. In both cases these are significant developments with critical timelines and large financial outlays where any delays can be costly. The value for the applicant /developers is that they would have a dedicated point of contact to coordinate, review and discharge the relevant conditions. This would provide greater certainty and confidence to applicants and developers alike. The appointment of a dedicated officer, for up to 24 months, is to provide a post-planning determination that would offer a value-added service and generate income for the Council. It will also ensure the effective delivery of significant investment in the Highland economy related to sectors such as employment, industrial developments or renewable energy provision and ensure compliance with planning permissions and the timeous delivery of developer contributions and other infrastructure benefits. The post will ensure compliance with planning permission condition, implementation and ensure that new applications are sought to regularise changes. The provision of a dedicated post-delivery officer to addressing monitoring is a logical extension of the award-winning major pre-application service that we currently provide. Once proof of concept has been demonstrated there should be the opportunity to mainstream the post on a full cost recovery

Asset Rationalisation & New Ways of Working

The project aims to design and deliver a revised office accommodation estate for the Council, including HLH, reflecting and harnessing new ways of working and improvements in technology. The benefits that can be delivered from this project include: improvements to the working environment for our staff, including flexible approaches to the working environment; contributing to a more agile workforce; reduced operational costs supporting the Council's ongoing budget process, including delivery of savings; the release of capital value and also reduction in/removal of significant future year revenue budget liabilities; the creation of a more effective estate which can help deliver better and more streamlined business outcomes; reduced carbon emissions and greater energy efficiency; modernised information management and data security.

In their report "COVID–19: Workforce Strategies for Post-Covid Recovery" Deloitte reported that "a typical crisis plays out over three time frames:
1. Respond, in which an organisation deals with the present situation and manages continuity;
2. Recovery during which an organisation learns and emerges stronger; and
3. Thrive, where the organisation prepares for and shapes the next normal."

They further advise, that the pandemic offers opportunities to Rethink work, workforces and workplaces, using the experiences we have gained in response and recovery to accelerate the future of how we work. Effective and adequately resourced internal, external and partner communications and engagement will also be essential to help shape the future. This will require additional resource within the communications team. The Council will work in partnership with High Life Highland to deliver a joint approach to Asset Rationalisation, new ways of working and other related projects such as Digital Transformation and Climate Change (e.g. decarbonisation). In addition to learning from other public sector organisations that have rationalised their estate, we will also look for opportunities to work and collaborate or co-locate with partners within Highland, particularly those that have more recently invested in their estate and, as a result of Covid, under occupation may likely feature.

Discussions will also take place with other public sector organisations about the opportunities for co-location and the potential for joint development of key public sector service delivery office hubs. Support from other organisations will also be considered such as the Improvement Service and Scottish Futures Trust (SFT). The Council already has a positive record in its approach to sharing public sector buildings such as its award-winning approach at Caithness House and Charles Kennedy Building with the DWP. This project will provide an up to date assessment of the current school estate, to identify further improvements to the condition and suitability of our school estate and better understand how it can help to meet future educational requirements to support overall improvements to educational attainment and positive destinations. The project will provide an opportunity to review how Members are supported in using new ways of working, including new virtual platforms for internal and external meetings; accessing information and reports; and support with constituent queries and complaints.

Service Redesign

This project aims to support the transition to the Council's new management structure and re-designed services which will be key to delivering efficiencies, value for money and transformation to adapt to the drivers for change and move forward in a post pandemic environment.

Underpinning all of the structural change must be an enhanced focus on the internal support mechanisms of the Council; to implement linear line management arrangements, promote staff wellbeing, deliver high quality learning and development opportunities, and create a culture of value and pride in high performance throughout the organisation. Intrinsically linked to this attention to the internal workings and structures of the Council is the ambition to deliver high quality, locally accountable and responsive services across the Highlands.

Large organisational changes require essential HR support to ensure project delivery and implementation adheres to HR legislative requirements. Support includes specialist advice; guidance including job design; job profiles; HR impact assessments; job evaluation & recruitment processes; and leading discussions with Trade Unions throughout the implementation process in 2021/22. Effective communication and staff engagement are fundamental to any organisational change and this requires to be adequately resourced.

Digital Transformation

This project aims to accelerate the digital transformation of public services and the development of the Council's digital strategy. There are 3 projects proposed in this project: Connected Customers; Digitising Records and Microsoft Navigator

Connected Customers

The Council utilises a number of different business applications that represent the 'front door' through which citizens and businesses access many of the Council Services. There is an opportunity to develop these applications and the interconnecting processes collectively, in order to identify improvements to customer journeys and to enhance and develop the Council's digital offering. This can drive efficiencies in managing customer demand, improve our ability to collect income and make interacting with the Council more straightforward for our customers.

Digitise Records

Making best use of the knowledge and expertise within Services, this project will digitise records, where appropriate, to enable electronic access and processing. By doing so, the Council's reliance on paper-based systems will be reduced and a range of benefits will be created including the opportunities to support new ways of working such as secure record accessibility. This also supports home/remote working and is central to capitalising on the opportunities presented by Asset Rationalisation. Some areas of the Council have already demonstrated how effective and efficient this approach can be such as in Revenues & Benefits, Payroll and Planning & Building Standards.

Microsoft Cloud Navigator

Although some ICT investments have had Council-wide impacts, much of the process automation and modernisation has been targeted and driven by specific Service priorities. Initial engagement with Microsoft, via their Cloud Navigator programme, has indicated that there may be greater benefits to be achieved by looking at a

Council-wide programme of ICT Transformation rather than continuing just with Service-led projects. Further in-depth work is now required with Microsoft consultants to define ambitious corporate ICT Transformation projects built around a robust business case. This work will involve identification of opportunities based on best practice seen elsewhere and detailed analysis of the work needed, investment required and benefits to be obtained. It is critical that this work is undertaken so that resources can be prioritised on the areas that can deliver the greatest benefits. The immediate priority for the ICT Team is to deliver the significant changes for Project Dochas. Although the ambition for the new ICT Team from 22/23 includes strong capability to undertake this sort of strategic work, this project will enable the delivery of this research, options etc. to be undertaken in 21/22 rather than wait until 22/23. Proactive engagement with, and support from, Microsoft on this project can ultimately help the delivery of future savings whilst the significant work required to deliver Project Dochas can continue simultaneously.

Social Care

This project aims to support the review of the NHS partnership and respond to the challenges facing adult social Care, and placement services.

There are 3 workstreams within this project: **NHS Partnership Review**; **Adult Social Care**; and **Placement Services.**

NHS Partnership Review

This requires a dedicated resource to lead on the review of the partnership and to provide capacity and expertise at a critical time for the Council assisting to deliver best value through the new Agreement and subsequently in order to implement the terms of that agreement.

Adult Social Care

Following approval at the Health, Social Care and Wellbeing Committee in August 2020, this project in partnership with NHS Highland is to help take forward an approved programme with a view to delivering transformation and efficiencies supporting the mitigation of increasing service demand in the future which is likely given the ageing population and also the increase in numbers of complex cases. In addition to the organisations providing project funding, Highland Council and NHS Highland are committed to the efficient delivery of service to achieve the best possible outcomes to support Highland's Population. Such delivery will be governed by a revised integration scheme to be put in place between the Council and NHSH and will be overseen by a Project Management Board. That Board has been established and recognises the need for transformation in terms of the future delivery of Adult Social Care. The workstreams provisionally identified have been set out below. The Board are also sighted on the terms of the Feeley report in terms of the future delivery of Adult Social Care and welcome the opportunities it is likely to bring in terms of a human rights focus and recognises the key role of Self Directed Support and the role played by (unpaid) carers. It is recognised also that there will be a need going forward to look to reduce residential care and make improved use of community led support and technological advances to support independent community living.

Notwithstanding the proposed governance of the Council's overall Transformation Programme, the Adult Social Care project board/team will provide regular updates to the Joint Monitoring Committee as the principal governance body for the Partnership and has as a principal role the continuing implementation of the Integration Scheme and the financial commitments in relation to that arrangement. The Project will initially focus on the following workstreams in terms of the future delivery of adult social care: Care Homes; Care at Home with a focus on Community Led support, and those transitions cases which in terms of adult social care become younger adults with complex needs. The Project will also consider if there are further opportunities which might have arisen as a result of the work carried out by the partner organisations in terms of the response to the pandemic.

Placement Services

This project looks to continue the review of the delivery of children's services - particularly fostering/adoption and Out of Authority (OOA), significantly reducing the end to end process for people applying to be foster carers and increasing the number of foster carers and adoptive parents in Highland. The primary purpose of this project is to improve outcomes for young people in Highland. As reported within the Health & Social Care's Service Budget Revenue Monitoring, the costs arising from OOA are significant as well as that, outcomes for young people are often best achieved through staying within their respective areas. In addition, the project will review the additional related-education costs for the Council. Members may be aware OOA authority placements overall currently cost between £3,500 and £8,500 per week, or £200k-£250k per child per year. The current education element of the current OOA placements is estimated to be in excess of £1m per annum. The project will include working with staff across Education and Health& Social Care to ensure Looked After Children and Young People receive the resource and support, they need at the right time and that the views and needs of children and young people are at the centre of decision making. The Council and partners have stated their commitment to The Promise report – to work toward keeping children with their families (when safe to do so), and to keep children and families voices central to the decision making process.

Climate Change

This project aims to deliver the transformation required meet the Council's commitments to Climate Change.

The Scottish Government has pledged to end Scotland's contribution to climate change no later than 2045. All public bodies have a duty to support and work towards this target under the Climate Change (Scotland) Act 2009, as amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. At a meeting of The Highland Council on 9th May 2019, Members agreed that the Council declare a climate and ecological emergency, whilst recommitting to achieving a carbon neutral Highland by 2025.

The transformation required now is to shape the Council's programme, key internal policies & capital programme to ensure a best-fit with the Programme for Government, specifically around the climate change agenda, to support the Council's ambition to secure maximum levels of external funding for climate change action. It is also essential that the Council sets out how it can maximise the benefit of its land holdings to support national climate change targets, for example through afforestation, and identify any funding streams or internal policy changes which could support this. The programme of work will identify key financial and non-financial opportunities around the low carbon agenda for the whole Highland region, especially in relation to how the Council can best support and promote the public goods the region can deliver, sequestration of carbon through forestry, peatland preservation and restoration etc, with a view to being in a better position to demonstrate leadership and market Highland as a truly low carbon region.

This programme of work will specifically deliver the following:
A dedicated Food Growing/Community Engagement Officer to lead on taking forward the Council's obligations in the Council's food growing strategy, Growing Our Future. This will include the identification of suitable land for food growing / allotments opportunities; opportunities through the Council's amenities review to reduce budget pressures whilst supporting increased community growing/wildflower planting schemes; liaison with Highland food growing groups to support expansion of schemes and increase community involvement; and development of a Highland Food Growing Network to support Highland access to knowledge, equipment and land.

Development of a net zero action plan for the Council, identifying key areas of focus across services with a view to developing outline project plans and funding bids. Work to develop service-level carbon budgets to assist in meeting net zero targets. Development of strategic control plans (SCP) for key service functions directly related to climate change agenda, in collaboration with service leads e.g. property, fleet, waste, energy etc. Based on outcomes of the Programme Alignment work and SCP process, setting of objectives, horizon scanning and development of projects and funding bids to assist in decarbonisation opportunities across services – working closely with the Growth Investment Manager post referenced above.

Development of corporately agreed hydrogen & low carbon heat strategies to ensure the Council benefits from the energy-systems transformation that these technologies will bring to the region. Ensuring that opportunities within the capital programme are maximised in respect of delivering carbon reduction for both the Council and wider region. Identification and development of energy and fleet projects with partners which can secure external funding e.g. through Scottish Cities Alliance, COSLA, Sustainable Scotland Network etc. Provide a focus on the decarbonisation of the fleet (Greening the Fleet) i.e. electric and hydrogen alternatives, to ensure we work towards the Scottish Government target and Highland Council's ambition to decarbonise local government fleet by 2025.

Waste

This project aims to respond to the legal requirements to no longer landfill biodegradable municipal waste from 1st January 2026, develop a circular economy and to continue to adjust our waste collection approaches.

The project has two workstreams, **Waste Strategy** and **Route optimisation**.

Waste Strategy

The first workstream is to support the alternative to landfilling waste and conclude the options appraisal into the feasibility of an Energy from Waste Plant including a review of the associated wider socio-economic and environmental benefits. The option chosen will affect how we use the new and planned infrastructure of waste transfer stations in three areas and our future relationship with the market in waste transfer, haulage and disposal.

It will support the Council's wider climate change work. On-going Project Management support through the Transformation Programme will ensure timescales are met. This project is overseen by a Member Waste Strategy Working Group and reports to each meeting of the Communities and Place Committee.

Route optimisation

The second workstream is to conclude one aspect of change in our collection of waste. It is to design optimised collection routes to make sure the Council collects both household and commercial waste in the most efficient way. This is needed as the number of customers grows by around 1000 each year which could otherwise bring new vehicle and staff costs. Route optimisation will also support how we plan for any changes arising from the Scottish Government's Household Recycling Charter which aims to make waste services more consistent across the country. This is expected to place new requirements on the type and volume of household waste we collect and what we are permitted to charge for. It brings challenges particularly for our rural service delivery. Route optimisation is underway and uses a software solution. It requires an ongoing analytical resource to conclude the project and begin communication of the changed routes with staff, members, customers

and communities. However, its successful introduction has the potential to bring wider benefits in terms of winter gritting and school transport routes. Again, significant communication and public engagement support are essential to these workstreams.

Roads and Transport

This project aims to support the existing transport planning and strategy, design and construction management and area operational and maintenance teams to more effectively deliver services, improve performance and demonstrate value for money.

Arising from a cross-Council redesign review into engineering services, and recognising the significant £20M of additional investment agreed by the Council to the roads maintenance capital programme for 2021/2022 and 2022/23, the transformation project will focus on ensuring that the existing transport planning and strategy, design and construction management and area operational and maintenance teams in the Infrastructure and Environment Service will be strengthened and redesigned to more effectively deliver services, improve performance and demonstrate value for money.

Local community engagement will also play an important role in this. Critical to the transformation will be a review to establish the further localised Strategies for the delivery of co-ordinated action by the Council, working with partners such as Transport Scotland, BEAR Scotland and the private sector across the Council area. The review will also identify future resource requirements to effectively and efficiently deliver Council-wide transport strategies.

The benefits of resourcing this review are that the opportunities for contributions by renewable energy and other large-scale project developers as well as medium and small-scale developments to carry out mitigation works required for their development will be maximised. This will build on the success of delivering key road improvements through the use of developer contributions from renewable energy developers in South Loch Ness and allow other areas in Caithness and Sutherland to be targeted.

Opportunities for potential match funding partners and budget streams will also be realised and pressures on the area road maintenance budget to address deficiencies and substandard nature of the road network in all Council areas could be reduced.

Procurement and Contracts Management

This project aims to deliver efficiency in both procurement and contract management. The Council spends in excess of £380M per annum on non-staff costs; this is higher than the total spent on staff costs.

Procurement

This is the process of finding and agreeing to terms, and acquiring goods, services, or works from an external source, often via a tendering or competitive bidding process. This process, for contracts over £50,000, is delivered by the shared service with Aberdeen City, Aberdeenshire Council and Highland Council, known as the Commercial and Procurement Shared Service (CPSS). Approved in August 2016 at Resources Committee, this arrangement took effect from January 2017. The CPSS has responsibility for the provision of strategic procurement services, namely:

• Procurement strategy, legislation, policy and advice.
• Category Management (for all strategic categories of spend).
• Strategic Commercial Management.

As part of the Council's Recovery Action Plan within the "Financial Recovery Strategy" key priority, a high-level financial review was recently undertaken of the service. This work indicates opportunities for improvement which will deliver procurement savings. Such is the nature and lead-in time for changes pertaining to Procurement matters, including contract timelines, it is anticipated that further savings will be deliverable from 22/23 onwards. The CPSS have expressed a strong commitment to deliver improvements and will also provide resource to support the delivery of further savings as quickly as possible. This project will include the formal design and implementation of an Improvement Plan, progress of which will reported to the Corporate Resources Committee.

Contracts Management

The process of systematically and efficiently managing contract execution, including ongoing monitoring for the purpose of maximising financial and operational performance and minimising risk. Responsibility and ownership of this process sits with the Council therefore it lies out-with the scope of CPSS as does procurement activities for contracts less than £50,000. Managing contracts is an important responsibility for Managers and needs appropriate skill sets such as challenging suppliers where performance falls below contract standards and negotiating improved terms where the contract permits. Supporting managers to do this effectively requires effective training and access to accurate & timeous contract data/information. A review of all contracts (including SLAs) will also be undertaken to review the services currently being procured /commissioned.

Appendix 2 - Drivers for Change

The significant Drivers for change can be summarised as follows:

- Recovery from Covid
- Highland Economy
- Social Care
- Climate Change
- Customer Expectations
- Digital Transformation
- Future Workforce

The remainder of his section discusses each in more detail.

Drivers for Change – Recovery from Covid

The impact that the pandemic is having within Highland communities, which in turn impacts local spend and therefore our local businesses is significant. As reported to the E&I Committee on 4 February 2021, the 4 harms of Covid are the direct health impact of the virus, other health impacts, societal impacts, and economic impacts. All will continue to pose a significant risk to the Council's overarching strategic objectives; to the delivery of core services; and to the health and wellbeing of our staff and the wider Public. The Council has endeavoured to mitigate the 4 harms of the Covid including via the Council's Recovery Action Plan. Good progress continues to be made against the action plan, but it is important that work continues with that programme to continue supporting the recovery from Covid. The transformation programme aims to evolve some of the workstreams further, in order that we best protect our vulnerable communities, support the growth of the local economy and help sustain employment as well as deliver modernised services for the Highland residents. The long-term ramifications of Covid are yet fully known but its impacts will unfortunately be felt for some time.

The drivers for change discussed in this report all influence the suitability of projects to deliver the Transformation programme. Purposefully addressing the climate and ecological emergency across service delivery through greater use of technology, maximising funding opportunities with planning that reflects the need for new solutions and energy capture are examples of what needs to be at the forefront of the work the Council must do in the coming years. Moreover, making use of any available funding to bring about alternative energy solutions and decarbonisation of the Council's assets, will be critical to success.

The responsibilities of The Highland Council are vast and impact every aspect of life ranging from registration at birth, through education services, environmental and planning services, culture, leisure, amenities, welfare, through to through life care. The range of duties isn't comparable anywhere outside public service and the reliance and demand for many of these services in Highland is only set to increase over the coming years. Simultaneously, the requirement to deliver best value also drives the need for efficiency and modernised solutions.

📈 Drivers for Change – The Highland Economy

The impacts of the pandemic continue to prove extremely challenging for The Highland economy. Over the last 12 months the Council has focussed on prioritising the support to businesses through the processing of the various grants and dealing with the immediate labour market challenges. In tandem, work has been done to prepare a comprehensive economic recovery strategy and support ongoing economic development initiatives, through engagement with partners, communities and Members.

The changing context following Brexit has provided further challenges to economic recovery work and the opportunities for the region from the Shared Prosperity Fund will be an important part of work set out in the Economic Recovery Strategy.

The importance of digital infrastructure has never been more acute, close working with HIE, and Scottish Government will ensure that the roll-out of this programme is expedited wherever possible and has a strong place in the area's recovery strategy.

The Highlands are renowned for their natural and unspoilt environment, attracting tourists and prospective migrants into the region. The economic benefits have long been recognised, with an ever-increasing demand by visitors on facilities, experiences and opportunities. Pre-Covid, in 2019, Visit Scotland reported 2.9M overnight visits to the Highlands an increase of 30% on the previous year, equating to £777M spend. The growth in overnight tourism was much more significant than the national average. As lockdowns ease and the country starts to emerge from isolation, it would be reasonable to anticipate new records being broken, especially where international travel may be restricted for some time.

Managing this demand and mitigating the impacts of increased tourism in The Highlands will require the Council's leadership, partnership approach and support. The Tourism Committee has been established to support the sector in the Highlands including the development of a Strategy in 2021.

Understanding the interdependencies and impacts that tourism has on Council facilities, roads, wider socio-economic impact, value of the tourism sector to the Highland economy, and impact on communities, specifically the issues of equality, poverty and rurality will all influence how we transform Council services in the coming months and years.

It is important that The Highland Council takes forward the Economic Recovery Strategy and creates opportunities to make best use of the many funding streams that are regularly being presented by both Scottish and UK Governments.

An example of the inter-relationship between drivers for change are the opportunities for the economy and climate change themes, such as the emerging hydrogen economy and the Cromarty Firth Green Port bid. It is likely that Highland will be a significant contributor to the hydrogen economy (and concurrently net zero) as a result of the renewables resource we have on our doorstep, and could be a significant driver for post-COVID-19 economic recovery.

Drivers for Change – Social Care

In the report to the Health, Social Care and Well-being committee, 26 August 2020, the proposed arrangements between the Highland Council and NHS Highland with a view to delivering transformation and efficiencies were approved.

The Highland Council and NHS Highland entered into a Partnership Agreement in 2012, establishing the principle of service integration in relation to both children's services and adult care services and setting up the lead agency model. The Partnership Agreement remains in place. In 2014, legislation resulted in the development of the Integration Scheme which was submitted to the Scottish Government for approval and represents the current working agreement between the Highland Council and NHS Highland with the Partnership Agreement remaining in place to offer detailed guidance. That Integration Scheme is subject to a review.

The position is such that integrated children's services are delegated by NHSH Highland to Highland Council so that the Council is, for example, responsible for the delivery of health visiting and school nurse services and the Adult Social Care function is delegated to NHS Highland by Highland Council such that NHS Highland is responsible for the delivery of the adult social work function.

The financial context has been challenging particularly in terms of the delivery of the adult social care function and both partners recognise the need to make efficiencies in terms of delivery of that function.

Drivers for Change - Climate Change

Before the pandemic, the Council recognised it had significant work to do in order to contribute to meeting the Government's statutory commitment to end Scotland's contribution to climate change by 2045. The Highland Council on 9th May 2019, agreed that the Council declare a climate and ecological emergency, whilst recommitting to achieving a carbon neutral Highland by 2025.

The Highland Council has been actively managing its corporate carbon footprint for several years, with various teams from across the organisation contributing to a suite of projects and initiatives that has seen our corporate emissions fall from 67,000tCO2e in 2011/12 to 40,000tCO2e in 2019/20 – a reduction of 40%. The Council's use of energy across its built estate (consumption of electricity, gas, oil and biomass) accounts for 76% of its total carbon footprint, with associated costs of around £12m per annum.

As a result of the Scottish Government's own declaration of a climate emergency and to ensure public sector compliance with revised national net zero targets, the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 ("the Order") came into force in November 2020. This order requires the Council to include the following information in its statutory annual climate change reports:
*   where applicable, a target date for achieving zero direct emissions of greenhouse gases, or such other targets that demonstrate how the Council is contributing to Scotland achieving its emissions reduction targets;
*   where applicable, any targets for reducing indirect emissions of greenhouse gases;
*   how the Council aligns its spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction targets;
*   how the Council will publish, or otherwise make available, its progress towards achieving its emissions reduction targets;
*   how the body is contributing to Scotland's Adaptation Programme.

This clearly demonstrates the need, and benefits from finding new green solutions through transformative planning, budget setting, projects and initiatives which will not only deliver cost avoidance but revenue from energy production and the estate becoming more self-sufficient for its energy needs. This is a prime example of the inter-connectedness of these projects under Climate Change and Asset rationalisation agenda (including both buildings and fleet vehicles), reinforcing the importance of a PMO approach for this programme to ensure strategic coordination of the workstreams and benefits.

In addition to delivering efficiencies an improved Highland environment, another benefit from this proposed programme is to maximize the funding opportunities that exist. Some of which are listed below in relation to climate change.

Skills and training for Green Jobs:
• New £100 million Green Jobs fund, investing alongside a range of sectors - such as manufacturing, tech, and land-based organisations - to support new and increased opportunities for green job creation across Scotland.
• £60 million Youth Guarantee including increased opportunities for 'green' apprenticeships across public sector bodies.
• A £25 million National Transition Training Fund aimed at bridging the skills gap between those facing unemployment and sectors with greatest potential for future growth, including focus on provision of green skills in areas of immediate demand like heat and energy efficiency.

Investing in our resilience to climate change and future pandemics:
• Extra £150 million for flood risk management in addition to continuing to provide £42 million annually to local authorities.

Investing for a Green Recovery and mobilising private finance:
• Committed almost £40 million for local authorities to spend on 'pop up' cycle lanes and wider pavements.

Drivers for Change - Customer Expectations

Accessibility to Council services for all customers is fundamental. It is also important that we take cognisance of affordability for such services, while recognising delivery keeps pace with customers' changing needs and expectations including when services are available and the advantages of digital technology.

In the Digital Office for Scottish Local Government Business plan 2019-2021, the report includes that at the same time as there increasing demand for council services, there is increasing expectations for the customer experience and outcomes from Council Services. Increasing use of smartphone applications and the internet usage (77% of households in Scotland now have access to the internet) and the increasing use of digital to transform products and services in other sectors such as retail and tourism has led to citizens having expectation of simple/seamless customer experiences, shorter delivery timescales, greater visibility of progress, and fewer process failures, and fundamentally, an expectation that they can transact online.

This matter is another example of how inter-connected the Programme's projects are, such as the importance of continually improving our digital infrastructure to not only support economic development but also the increased suite of digital solutions that are actually accessible by all our customers. It is therefore imperative that support is provided to customers as an essential element of the transition to digital customer solutions.

Drivers for Change - Future Workforce –
Succession Planning & Growing our Own

Given the changing environment in which we are working we need to make sure we have the right people, with the right skills, in the right place at the right time to deliver Council priorities, essential front-line services and support resilience, recovery and transformation.

The Redesign Board have been progressing the Workforce Planning and Development Project, established to deliver against the following objectives:

• Review the Council's Workforce Planning Strategy – to ensure ongoing currency and fitness for purpose.
• Identification of Workforce Data Required – assessing what data is already held, what is required to enable managers to effectively manage their teams (right people, right place, right time), identifying the gaps and taking action to rectify.
• Identification of Management Tools – assessing what is in place, what managers need, revising and adding to the tools as required.

Comprehensive engagement with managers (survey and workshops) helped to identify important areas for development and improvement in relation to how we proactively manage and plan for our workforce in the short, medium and long term.

An action plan has been developed from this Project, with key areas for delivering against our Workforce Strategy as follows:

• Grow our workforce of the future, including aspiring managers, rebalance our age profile through initiatives such as Modern Apprenticeships and retain knowledge through effective and structured succession planning.
• Improve and increase multi-skilling to create an agile and flexible workforce with wider and more transferable skills.
• Develop our Recruitment strategy to fill gaps now and in the future (college/school links), attract younger workforce, Council promoted as an employer of choice.
• Modernised and more targeted approaches to recruitment aimed at talent attraction.
• Provide managers with ready access to good-quality workforce data to inform organisation-wide workforce planning that supports the shape of future operations.
• The use of digital technologies and using new ways of working.

Future workforce - Digital Skills. In 'digital', the Council needs to continue to upskill its workforce. While COVID-19 has led to increased remote working, the development of digital skills also needs to be embedded into longer term workforce plans and culture. There are training opportunities through external organisations such as the Scottish Digital Academy, who provide a range of courses aligned with public and third sector on the transformation of services by being focussed on the needs of our citizens.

Drivers for Change - Digital Transformation

The Scottish Government's Programme for Government places significant focus on the importance of digital, particularly around adoption and exclusion of some citizens and of the skills required within organisations to drive forward the digital agenda.

Scotland's Digital Action Plan, in conjunction with Local Government, sets out actions to ensure that we build on experience to deliver sustainable social, economic and environmental change. This will accelerate the transformation of key digital public services and the development of common digital platforms and components that improve quality, support cross organisational working and enable resources to be redirected to front line, local delivery.

Scotland's Digital Office works in partnership to support taking digital transformation forward. This offers many benefits including the sharing of good practice and innovative solutions across Scotland. Foregoing the impacts of Covid, the pace of change in the Digital industry is significant and the current Council's ICT Strategy will be reviewed as part of this programme.

The initiation of the Council's Project Dochas to move the Service in-house will also address the challenges mentioned above, be reflected in the review of the Council' ICT Strategy and will require some change effort to support the implementation and drive the benefits of the new technology.

Digital Adoption, Inclusion & Connectivity. As reported at 6.6.1 regarding supporting customers on the 'Digital journey' the Scottish Government has committed funding in this regard. For example, some customers cannot access online services because they do not have the kit or connectivity at home.

Though the Connecting Scotland Programme, the government is now committing an additional £23 million to help even more digitally excluded people and households with a digital and data safety net, providing them with a device and extending their previous offer of unlimited data and support and training from one year to two for everyone the Programme has helped. In achieving a channel shift there also needs to be digital support for customers at a more local level i.e. from the Council to assist customers in accessing services digitally. The Council's involvement in progressing the Government's R100 programme through its Recovery Action Plan will help move forward connectivity issues for Highland customers. The programme aims to ensure every premises in Scotland can access superfast broadband. It will extend full-fibre broadband to much of rural Scotland.

Appendix 3 - Fund Monitoring – Example template 21/22

Project	Allocations 21/22	Actual Spend to April 21	Projected Spend 21/22 (May 21- March 22)	Projected Total Spend 21/22	Over/ under spend (-)
ECONOMY (including Growth Investment and Planning)	114,000				
ASSET RATIONALISATION and new ways of working	424,000				
SERVICE REDESIGN	97,000				
ROADS & TRANSPORT	130,000				
SOCIAL CARE (including NHS Partnership Review, Adult Social Care, and Placement Services)	379,000				
WASTE (including Waste Strategy and Route Optimisation)	75,000				
CLIMATE CHANGE	240,000				
DIGITAL TRANSFORMATION (including Connecting Customers, Digitising records, and Microsoft Cloud Navigator)	198,000				
PROCUREMENT & CONTRACTS MANAGEMENT	171,000				
PROGRAMME MANAGEMENT OFFICE	263,000				
ENHANCED COMMUNICATIONS	160,000				
	2,251,000	0	0	0	0

Appendix 4 – Resourcing the Programme

Portfolio	Duration	Resource	Cost 21/22 £M	Total Cost £M
Economy	24 Months	Growth Management Planning	0.114	0.228
Asset Rationalisation & New Ways of Working	24 Months	Property Asset Management (THC) Property Asset Management (HLH) Subject Matter Expert (Education) Project Management Business Analysis HR advice & support	0.424	0.848
Service Redesign	12 Months	HR advice & support	0.097	0.097
Roads & Transport	18 Months	Transport specialist advice Project Management Business Analysis	0.130	0.180
Social Care	24 Months	Strategic leadership Programme & Project Management Subject Matter Expert advice & support	0.379	0.541
Waste	18 Months	Project Management Business Analysis	0.075	0.098
Climate Change	24 Months	Project Management Subject Matter Expert advice & support	0.240	0.480
Digital Transformation	12 Months	Project Management Business Analysis	0.198	0.198

Portfolio	Duration	Resource	Cost 21/22 £M	Total Cost £M
Procurement & Contracts Management	12 Months	Project Management Subject Matter Expert advice & support Business Analysis	0.171	0.171
PMO	24 Months	Programme Management, Assurance & Coordination	0.263	0.527
Communications (Various Projects)	24 Months	Communications expertise and support across the Programme	0.160	0.320
Total			**2.250**	**3.686**

Appendix 5 – Roles & Responsibilities

Role Descriptions

Project Boards:

The Project Board consists of the Sponsor, the Senior User and the Senior Supplier. Only one person can be the Sponsor while both the Senior User and Senior Supplier's roles may be assigned to one or more persons. The Sponsor owns the Business Case and has the final word on decisions that are taken, so the Project Board is not a democracy.

The Project Board has the following duties:

To be accountable for the success or failure of the project.
To provide unified direction to the project and Project Manager.
To provide the resources and authorize the funds for the project.
To provide visible and sustained support for the Project Manager.
To ensure effective communication within the project team and with external stakeholders.
In real life, far too many projects have Project Boards that don't understand their role and don't provide the Project Manager with proper support.

The Project Board Roles:

Sponsor
Senior User
Senior Supplier

Sponsor
The sponsor is a member of the executive leadership team with overall accountability for the project or programme. He or she is primarily concerned with ensuring the delivery of agreed business benefits and acts as the representative of the organisation, playing a vital leadership role through a series of areas:
Provides business context, expertise, and guidance to the project manager and the team;
Champions the project/programme, throughout the organisation to ensure capacity, funding, and priority for the project;
Acts as an escalation point for decisions and issues that are beyond the authority of the project manager;
Acts as an additional line of communication and observation with team members, customers, and other stakeholders; and
Acts as the link between the project/programme, business as usual, The Board and strategic committees and Council.

Project Lead
Project Lead is responsible for:
Communicating with team members, including relaying briefs, connecting daily tasks to larger goals, and providing context and support
Ensuring the team remains focused and on track, including addressing any conflicts or bottlenecks.

Creating a vision around the project to provide team members with a sense of purpose and motivation.
Offering less tangible and more emotional support to help a team stay focused on the ultimate goal.
Fostering a workplace atmosphere that helps bring out the best in his or her team.

Project Manager

What does a project manager do?
The project manager is responsible for day-to-day management of the project and must be competent in managing the six aspects of a project, i.e. scope, schedule, finance, risk, quality and resources. Project managers work on specific projects that have definite outcomes, have time limits and have to stay within a budget.

These tasks typically include:
- planning what work needs to be done, when and who's going to do it;
- looking at the risks involved in a particular project and managing these risks;
- making sure the work is done to the right standard;
- motivating the team of people involved in the project;
- co-ordinating work done by different people;
- making sure the project is running on time and to budget;
- dealing with changes to the project as and when necessary;
- making sure the project delivers the expected outcomes and benefits.

Programme Management Office - A programme management office is a single support structure, designed to provide assistance to change and delivery initiatives within an organisation.
Acting as the nerve centre and information hub of the programme, all information, communication, monitoring and control activities for the programme are coordinated through the PMO. Additionally, good governance and project management guidance are delivered by the PMO.
Responsibilities of the program management office
- Setting up tools and standards for managing the programme;
- Planning, tracking, and reporting on outputs and outcomes;
- Information and logistics management;
- Financial planning and tracking;
- Risk and Issue tracking;
- Cross-project and programme interdependency management;
- Setting quality control standards and tracking implementation;
- Setting and tracking change control procedures;
- Developing stakeholders' map, defining the interest of each group; and
- Planning and executing communication plans to stakeholders.

Programme Manager

The programme manager is responsible, on behalf of the Senior Responsible Owner (SRO), for delivering change. The role requires effective co-ordination of the programme's projects and management of their inter-dependencies including oversight of any risks and issues arising. Developing and agreeing budgets for projects and/or programmes in portfolios and controlling forecast and actual costs against them It also includes the co-ordination of the new capability for the business to enable effective change and realisation of projected benefits. Managing stakeholders, taking account of their levels of influence and particular interests.

- developing the programme based on the scope already agreed by Council and proactively monitoring its progress, resolving issues and initiating appropriate corrective action
- assuring the programme's governance arrangements
- ensuring effective quality assurance and the overall integrity of the programme - focusing inwardly on the internal consistency of the programme across service boundaries, and on its coherence with the Corporate Plan, interfaces with other programmes and corporate, technical and specialist standards
- managing the programme's financial progress, monitoring expenditure and costs against delivered and realised benefits as the programme progresses
- facilitating and resourcing the appointment of individuals to project teams as and when required ensuring the delivery of new products or services from projects is to the appropriate level of quality, on time and within budget, in accordance with the programme plan and programme governance arrangements,
- ensuring that a philosophy of reporting by exception is adopted and adhered to.
- ensuring there is allocation of common resources and skills within the programme's individual projects
- managing communications with all stakeholders
- managing both the dependencies and the interfaces between projects
- managing risks to the programme's successful outcome
- initiating extra activities and other management interventions wherever gaps in the programme are identified or issues arise
- reporting the progress of the programme at regular intervals to the Programme Board and to Council.
- On large and complex programmes, it may be appropriate to appoint other individuals to support the programme manager for some of the particular responsibilities listed above, for example a risk manager, a communications manager or a benefits manager.

Appendix 6 Project Document PID

Project Initiation Documentation - Example

Project Name:	
Date:	
Project Manager:	
Project Lead:	
Sponsor:	
Version:	

Purpose   The purpose of the **Project Initiation Documentation (PID)** is to define the project, how it will be managed and how its success will be measured.

The Project Initiation Documentation provides:

- direction and scope of the project
- plans

The three primary uses of the PID are to:

- Ensure that the project has a sound basis before asking the Project Board to make any major commitment to the project
- Act as a base document against which the Project Board and Project Manager can assess:
  - progress, issues and ongoing viability questions
- Provide a <u>single source</u> of reference about the project so that people joining the 'temporary organisation' can quickly and easily find out what the project is about, and how it is being managed.

The Project Initiation Documentation is a living document and should always:

- reflect the current status, plans and controls of the project.

- Its component products will need to be updated and re-baselined, as necessary, at the end of each stage, to reflect the current status of its constituent parts.

Contents   *The Project Initiation Documentation should cover the following topics.*

Project Purpose

Project Approach
Business Case
Project Management Team Structure
Role Descriptions
Quality Management Approach
Risk Management Approach
Communication Strategy
Project Plan
Project Controls

*Discuss with PMO

Advice   *The Project Initiation Documentation comes from the:*

- *the Project Brief and*

- *discussions with Sponsor, Lead and supplier(s) regarding methods, reporting and controls.*

The Project Initiation Documentation could be a single document; an index for a collection of documents;

The following quality criteria should be observed:
- *The Project Initiation Documentation correctly represents the project*
- *It shows a **viable, achievable** project that is in line with corporate strategy or overall programme needs*
- *The project management team structure is complete, with names and titles. All the roles have been considered and are backed up by agreed role descriptions.*
- *The controls cover the needs of the Project Board, Project Manager and Team Managers and satisfy any delegated assurance requirements*
- *The document should be tailored to suit the size, complexity and risk associated with the project*

Project Purpose including background
 (Explaining what the project needs to achieve. It should include information on the sections given below)

Project objectives
(covering time, cost, quality, scope, risk and benefit performance goals)

Desired outcomes

Project scope and exclusions

Constraints and assumptions

The user(s) and any other known interested parties

Interfaces

Project Approach

(To define the choice of solution that will be used in the project to deliver the business option selected from the Business Case, taking into consideration the operational environment into which the solution must fit)

Business Case

(Describing the justification for the project based on estimated costs, risks and benefits)

Project Management Team Structure

(A chart showing who will be involved with the project)

Role Descriptions

(For the project management team and any other key resources)

Quality Management Approach*

(Describing the quality techniques and standards to be applied, and the responsibilities for achieving the required quality levels)

Risk Management Approach*

(Describing the specific risk management techniques and standards to be applied, and the responsibilities for achieving an effective risk management procedure)

Communication Strategy* - including Stakeholder analysis

(To define the parties interested in the project and the means and frequency of communication between them and the project)

Project Plan

(Describing how and when the project's objectives are to be achieved, by showing the major products, activities and resources required on the project. It provides a baseline against which to monitor the project's progress stage by stage)

Project Controls

(Summarizing the project-level controls such as stage boundaries, agreed tolerances, monitoring and reporting)

*discuss with PMO