

Agenda Item	8
Report No	RES/ 38 /21

THE HIGHLAND COUNCIL

Committee: Corporate Resources

Date: 24 November 2021

Report Title: Transformation Service - Revenue and Performance Monitoring to 30 September 2021

Report By: Executive Chief Officer -Transformation

1. Purpose/Executive Summary

- 1.1 This report provides members with an outturn monitoring statement for Quarter 2 for 2021/22.
- 1.2 For 2021/22, the forecast is an underspend of £0.131m (0.97% of the budget), a change to the £0.054m forecasted underspend reported for Quarter 1 to this Committee on 25 August 2021.
- 1.3 In addition to reporting to members the revenue budget position for which the Service has direct responsibility, contextual information is also incorporated into this report. As reported this Committee on 25 August 2021, bringing together revenue and performance into a single monitoring report supports financial governance, informs decision making, and enables improvement actions to be identified.

2. Recommendations

- 2.1 Members are asked to:
 - i. Consider the 21/22 revenue monitoring position for the period to 30 September 2021 and latest forecasted outturn
 - ii. Consider the progress update provided in relation to budget savings delivery
 - iii. Consider the performance information

3. Implications

- 3.1 **Resource:** The budget of £13.663m for the Transformation Service and is approximately 2% of the total general fund for the totality of the Council's Services. Further information on the Service's resources are detailed in the Service Plan that was approved by this Committee on 26 May 2021 (the link to the Service Plan can be found [here](#)).
- 3.2 **Risk:** Service risks have been identified and documented along with risk management actions, loaded into the Council's Performance and Risk Management System (PRMS) for ongoing monitoring. ICT operational risks are presently managed jointly with Wipro and are monitored through monthly ICT service reviews. A component of the contract with Wipro is the outsourcing of certain ICT technical and cybersecurity risks, whereby Wipro take responsibility for management and mitigation with input from ICT Services as required. Through Project Dochas, responsibility for these risks is moving back to the Council and the new ICT structure takes this into account.
- 3.3 There are no Equalities, Legal, Climate Change/Carbon Clever, Rural, or Gaelic implications arising as a direct result of this report.

4. Transformation Service Revenue Budget 2021/22

- 4.1 This section provides narrative and budget information for each of the activities detailed in the monitoring report at **Appendix 1**.
- 4.2 The forecasted outturn as at the end of Quarter 2 is an underspend of £0.131m (0.97% of the Service's budget). The underspend is primarily staff vacancies and a reduction in costs pertaining to the SWAN contract. The movement from Quarter 1 (0.054m underspend) is primarily attributable to the lower SWAN contract costs being identified, and staff vacancies.
- 4.3 Within ICT, Project Dochas continues to be taken forward with a detailed update reported to a separate item within today's agenda. This Project includes seeing ongoing recruitment to new posts and the forecast outturn is driven largely by predicted start dates for new staff. These dates are reviewed on a regular basis as the recruitment process progresses. The Transformation Service Revenue budget also includes the Council's Transformation budget of £2.260m. Members will be aware that as part of the Council's 21/22 Health & Prosperity Strategy, an ambitious Improvement and Transformation Programme was approved on 4 March 2021 including the delivery of forecasted cashable benefits £18.7m over 24 months. Progress updates are reported to The Recovery, Improvement & Transformation Board (RITB) with the next update being considered by this Board on 29 November 2021.

5. Transformation Service Budget Savings Delivery

- 5.1 **Appendix 2** provides an assessment of the progress to deliver the approved budget savings. All savings are on target to be delivered totalling £0.438m.

6. Performance Information

- 6.1 ICT Services.

6.1.1 As described in Section 1 of this report, a single report containing both revenue and performance information has several benefits. In addition to the established ICT measures that are reported in the following sections, a new service-wide performance framework is being developed drawing on a range of data, external reports and self-evaluation, and refreshing KPIs to best fit the objectives, standards and targets of the Service.

6.1.2 Wipro Service business-as-usual contract performance is measured via a series of Key Performance Indicators (KPIs). The table below shows the trend for the KPIs for the four months up to September 2021.

	Description	Jun-21	Jul-21	Aug-21	Sept-21
KPI-01	Severity 1 incident response	Green	Green	Green	Green
KPI-02	Severity 2 incident response	Green	Green	Green	Green
KPI-03	Severity 3 incident response	Green	Green	Green	Green
KPI-04	Severity 4 incident response	Green	Green	Green	Green
KPI-05	Rolling number of Severity 1 incidents	Green	Green	Green	Green
KPI-06	Monthly end user satisfaction	Green	Green	Green	Green
KPI-07	Help Desk contact answer	Red	Red	Red	Red
KPI-08	Infrastructure availability	Green	Green	Green	Green
KPI-09	Managed applications availability	Green	Green	Green	Green
KPI-10	Managed applications interruptions	Green	Green	Green	Green
KPI-11	First time fix	Green	Green	Green	Green
KPI-12	Catalogue implementation – moves/changes etc	Green	Green	Green	Green
KPI-13	Change request impact assessments	Green	Green	Green	Green
KPI-14	Data centre network response time	Green	Green	Green	Green
KPI-15	Composite SPI achievement	Green	Green	Red	Green

6.1.3 The table shows performance against target levels. KPI-15 is a composite measure of a further 20 Subsidiary Performance Indicators (SPIs). Target levels are still being met for most KPIs with the ongoing exception of the Help Desk contact answer time and a dip in August for KPI 15 – the composite measure.

6.1.4 The answer time KPI is for 90% of calls to be answered within 60 seconds. June performance was 80.42% and the trend unfortunately continued downwards in the following months to below 50% in August and September. As reported to the August meeting of this Committee, performance of the Service Desk has been affected by the work to transition service in-house. The key reason has been a significant reduction in Wipro staff numbers, partly due to some staff being successful in obtaining promoted posts within the Council team. With the onboarding of 6 new Service Desk staff into the Council on 1st October and their working jointly with the Wipro team, performance has started to rise again. Full transfer of the Service Desk function to the Council took place on 1st November and the trend of rising performance is being seen although the service still needs to bed in. Further details of the progress is provided in the separate report to this Committee on Project Dochas. A revised set of KPIs is being defined to cover the new in-house service and these will be included in future reports to this Committee.

KPI 15 failed in August due to performance issues relating to system backups and server patching. These have now been addressed.

6.2 Service Plan

6.2.1 At the Corporate Resources Committee of 26 May 2021, members agreed the [Service Plan](#), which details our ambitions and direction for the Transformation Service and was the first Service Plan for the newly formed service. The KPIs and Improvement actions contained within the Service Plan are loaded into PRMS, the Corporate performance system, for ongoing monitoring.

6.2.2 Some actions are annual as are some of our measures such as those related to staff training, inductions and ERDs which managers are working towards on an ongoing basis, and the reporting due at the end of Q4.

6.2.3 Positively, overall performance is on track with some actions such as the reporting of the Transformation Programme and associated governance all established as business as usual.

6.3 Attendance Management

6.3.1

Average Working Days lost per quarter per employee	2021/22	
	Q1	Q2
Highland Council (non-teaching)	1.8	1.5
Transformation Service	0.4	0.4

6.3.2 In Q2, the average number of days lost per employee within the Transformation Service was 0.4 days. Absence reported is significantly lower than the Highland Council (non-teaching) position overall.

6.3.3 The Transformation Service is proactive in their absence monitoring and endeavours to keep staff absence as low as possible by following the Council's HR policies and guidance, implementing measures such as "return to work" interviews and discussions with staff, with valuing staff and their health and well-being as an important ethos in our new service, and in line with the Council's Connected values of supporting our staff.

Designation: Executive Chief Officer, Transformation

Date: 3 November 21

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Appendix 1 - Transformation Service Revenue Budget 2021/22

TRANSFORMATION SERVICE Revenue Expenditure Monitoring Report

1 April 2021 to 30 September 2021

	Notes	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY					
Recovery, Improvement & Transformation Fund		591	2,260	2,260	0
Transformation Team		178	620	535	(85)
ICT Services		6,492	10,783	10,737	(46)
Total		7,261	13,663	13,532	(131)
BY SUBJECTIVE					
Staff Costs		1,894	3,193	3,103	(90)
Other Costs		6,294	11,978	11,937	(41)
Gross Expenditure		8,188	15,171	15,040	(131)
Grants		0	0	0	0
Other Income		(927)	(1,508)	(1,508)	0
Total Income		(927)	(1,508)	(1,508)	0
Total		7,261	13,663	13,532	(131)

Notes

1. %age of Annual Expenditure Sep 21/22 **53%**

Appendix 2 - Transformation Service Budget Savings Delivery

Service	Savings Description	2021/22 Savings £m	2022/23 Savings £m	2023/24 Savings £m	Total Savings £m	Status R A G
Transformation	Review of 3rd party ICT contracts (not core WIPRO contract)	0.050			0.050	G
Transformation	Negotiated price reduction on SWAN contracts	0.080			0.080	G
Transformation	One-off saving on SWAN contracts prior to 22/23 contract reprocurement	0.130	-0.130		0.000	G
Transformation	Legacy standalone cybersecurity budget, reducing as cybersecurity becomes a core element of the ICT budget	0.050			0.050	G
Transformation	Third Party Software Contracts	0.050			0.050	G
Transformation	Delete 1fte vacant post	0.059			0.059	G
Transformation	Review and removal of discretionary spend	0.019			0.019	G
Service Total		0.438	-0.130	0.000	0.308	