

**HIGHLAND COUNCIL**

Agenda Item	<b>5</b>
Report No	<b>RB/15/21</b>

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

**Date:** 29 November 2021

**Report Title:** Improvement and Transformation Programme 2021-2022 - Update

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

**1. Purpose/Executive Summary**

- 1.1 This report provides the latest update of the progress for each of the 9 Transformation Programme projects and the associated 21 workstreams including progress against the cashable benefits target for 21/22 of £9.18m.
- 1.2 This report enables Members to have the opportunity to review the whole programme, supporting the RITB's remit to monitor, evaluate and report on progress across the programme on behalf of The Highland Council. Members will be aware that each of nine projects individually report to their respective Strategic Committees and Redesign Board in accordance with the agreed Improvement and Transformation Programme governance.

**2. Recommendations**

- 2.1 Members are asked to:
- i. Consider the latest progress on the Council's Improvement and Transformation Programme Projects.
  - ii. Note the latest progress in respect of the 21/22 forecasted cashable benefits.
  - iii. Consider any recommendation or observations to Council in respect of progress on the Council's Improvement and Transformation Programme and associated actions.

### 3. Implications

- 3.1 **Resource:** The portfolio of projects identified to take forward the fundamental Improvement and Transformational change led by Strategic Committees and the Redesign Board 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 £3.68M over two years, (some projects will be up to 24 months in duration), it is targeted to deliver £9.18M of cashable benefits in 21/22 contributing to the overall £18.65M of savings, efficiencies, cost mitigation and cost avoidance for the entirety of the Programme. Forecasted approved spend remains within budget and is subject to rigorous officer governance led by staff in the Improvement and Transformation Service.
- 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 individual projects are progressed.
- 3.3 **Community (Equality, Poverty and Rural):** All the Improvement 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:** Understanding the links to the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 and the associated Climate Change projects included in the Improvement and Transformation Programme and across the Council are imperative. These links are regularly discussed, and the interdependencies highlighted through the Programme Management Office (PMO) via Programme Co-ordination and Assurance activity such as direct engagement with project teams, PMO monthly drop-in sessions and ever-expanding use of Microsoft (MS) Teams communication channels within the projects and programme. The availability of Council Tax on-line billing via the Digital Transformation *Connected Customers* project will not only reduce costs such as postage and increase customer account access, it will also benefit the climate by reducing paper, printing and enveloping volumes. The Council has over 120,000 properties.
- 3.6 **Risk:** The ongoing challenges by COVID can mean that resources are required to be redirected to maintain day-to-day service delivery. The evident increase in cases only increases this level of risk as to the timely delivery of this Programme. The PMO, working closely with Sponsors maintain, monitor and report via a Programme Risk Register. The PMO will also continue to liaise with Corporate Audit & Performance in order to cross-reference programme risks with the Corporate Risk Register. The PMO also maintains regular contact with Project Managers, Project Leads and Sponsors, to provide overall Programme Assurance through regular assessment. Each project has a risk register and is reflected in the individual updates shown at Section 7 and Appendices 1-9 of this report.

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. This includes considering all risks including mitigation as part of their regular project updates and progress monitoring.

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

## 4. Background

- 4.1 As reported to the Board on 23 August 2021, the Transformation Programme portfolio of projects progressed from initiation and into their first project delivery stage(s). Members are advised that The Council continues to deliver this extensive programme against a backdrop of evolving context regarding Covid-19 and the various challenges it presents.

- 4.2 Members are reminded that this Programme is being delivered via a Programme Management Office (PMO) approach and a separate item to today's Agenda discusses this in more detail.

## 5. Improvement and Transformation Programme

The remainder of this report provides an update on the Council's Improvement and Transformation Programme as shown below:

- Recruitment Update - Section 6
- Projects Update – Section 7 and Appendices 1-9
- Cashable Benefits Update – Section 8
- Improvement and Transformation Programme – Future Projects – Section 9

## 6. Recruitment

- 6.1 As reported to this Board in August 2021 significant recruitment efforts are being made supported by the Council's Talent Team, HR and business support. Members are reminded that there are 39 posts approved to support this Programme.

- 6.2 Recruitment is largely complete. In relation to the Procurement & Contracts Management Project, one of the 2fte Business Analysts posts filled has since resigned. The project board have reviewed their position and resource will be utilised from within existing teams. This strategy is the same for the Project Manager post that has been filled on a part-time basis (0.5fte) to date. The Project Board will continue to closely monitor and will undertake recruitment to these posts (1fte Business Analyst and 0.5fte Project Manager) as required.

## 7 Project Progress

- 7.1 The PMO staff continue to support Sponsors, including supporting a *tailored* and proportionate approach to project management and associated documentation. This is in recognition of the requirement to afford Sponsors and Leads the flexibility to deliver on their projects without unnecessary administrative burden, in an efficient way.

- 7.2 Progress against each of the 9 projects continues to be monitored by the PMO, with assurance provided by the PMO and Officer Recovery, Improvement and Transformation (ORIT) on behalf of the Recovery, Improvement and Transformation Board. Reflective of the significant size of these projects, each contain a number of projects/workstreams within themselves. Collectively, they comprise the Council's Improvement and Transformation Programme and a summary highlight report is available for each of the nine projects in appendices 1 to 9 as shown in the table below

### 7.3

Project	Appendix	Projects / Workstreams / Portfolio
<b>Economy</b>	1	<ul style="list-style-type: none"> <li>• Growth Investment</li> <li>• Planning</li> </ul>
<b>Asset Rationalisation &amp; New Ways of Working</b>	2	<ul style="list-style-type: none"> <li>• Asset Rationalisation</li> <li>• New Ways of Working</li> </ul>
<b>Service Redesign</b>	3	<ul style="list-style-type: none"> <li>• Senior Leadership restructure</li> <li>• Service restructure</li> </ul>
<b>Digital Transformation</b>	4	<ul style="list-style-type: none"> <li>• Connected Customers</li> <li>• Digitise records (modernise workplace)</li> <li>• Microsoft Cloud Navigator</li> </ul>
<b>Social Care</b>	5	<ul style="list-style-type: none"> <li>• NHS Partnership Review</li> <li>• Adult Social Care</li> <li>• Placement Services</li> </ul>
<b>Climate Change</b>	6	<ul style="list-style-type: none"> <li>• Development of low carbonheat strategies</li> <li>• Decarbonisation of Council's fleet</li> <li>• Food Growing strategy / <i>Growing our future</i></li> </ul>
<b>Waste</b>	7	<ul style="list-style-type: none"> <li>• Waste Strategy</li> <li>• Route Optimisation</li> </ul>
<b>Roads &amp; Transport</b>	8	<ul style="list-style-type: none"> <li>• Highland Road ImprovementStrategy</li> <li>• Schools Transport Review</li> </ul>
<b>Procurement and Contracts Management</b>	9	<ul style="list-style-type: none"> <li>• Procurement</li> <li>• Contracts Management</li> </ul>

7.4 Each Highlight report provides an update on progress in the following format:

- Activity undertaken this reporting period (September to December 21)
- Risks and Issues
- Planned activity in the next reporting period (January to March 22)

7.5 Members are also reminded of the final report presented to this Board in August covering the final phase of the Recovery Action Plan. Following a comprehensive review undertaken by the PMO, the actions are now complete, business as usual or are subsumed into the Transformation Programme.













7.6 Reporting progress of projects to Strategic Committees and Redesign Board also continues to be undertaken. Members are reminded that the Strategic Committees and Redesign Board are responsible for the delivery of their respective Transformation Projects. The RITB will continue to provide strategic oversight and co-ordination for the Programme including monitoring, evaluation and reporting to the Highland Council on overall progress.



## 8. Cashable Benefits Update 21/22

8.1 The table shown at 8.2 summarises those Improvement and Transformation Projects planned to deliver cashable benefits in 21/22. Members should note that the forecasted benefits exclude:

- 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
- 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).

8.2

Project	Cashable Benefits target for 21/22 (£M)	Forecast as at August 21	Forecast as at November 21
Asset Rationalisation	0.250		
Service Redesign	4.350		
Digital Transformation	0.254		
Social Care – ASC	3.000		
Social Care – Placement Services	0.875		
Procurement & Contracts Management	0.450		
<b>Total</b>	<b>9.179</b>		

8.3 The forecasts at table 8.2 show projects on target (Green ) with 2 projects reporting some risk that the target may be not achieved (Amber ). A project indicated as “red” would indicate a major risk that the target would not be met in 21/22. Comments are provided below for the 2 Amber projects (with further detail also shown within the respective appendices).

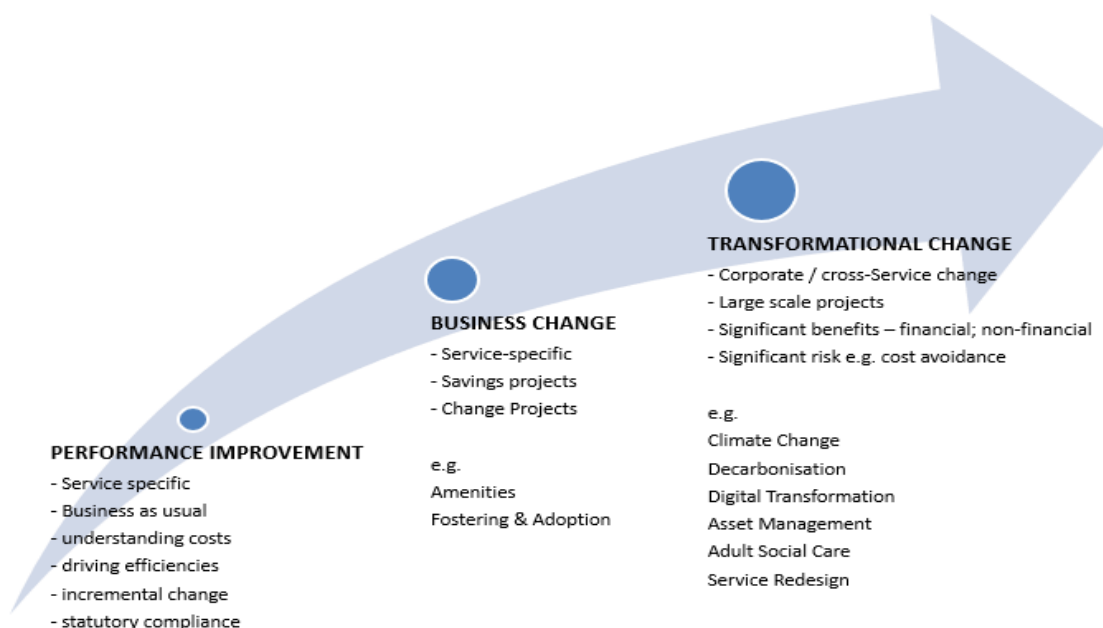
- In relation to the “Social Care – ASC” project, the unadjusted pipeline total of savings already identified is £2.57m (compared to £1.95m in August 21). The risk adjusted pipeline total is £2.175m (compared to £1.45m in August 21). Although positive progress continues to be made, the risks such as the

ongoing challenges from COVID can mean that delivering this target in full in 21/22 could be difficult. In addition to the Joint Monitoring Committee having overall sight in terms of the overall partnership arrangements, regular progress reports are also presented to the Strategic Committees of both partner agencies. There is also a joint Programme Management Board (co-chaired) consisting of elected members and senior officials from both organisations to provide delivery assurance. The Highland Council and NHS Highland are committed to working in partnership including attendance by Senior officers and the Chief Executives from both organisations to discuss how they can continue to strengthen the transformation programme to delivering services in the Highlands.

- In relation “Asset Rationalisation”, recruitment delays have affected efforts to meet this target in 21/22. While the Council understands the costs of property overall, it has been established that not all detailed individual property costs are fully known. Addressing the data gaps and full condition surveys are some of the actions being taken forward as quickly as possible to identify and implement options that repurpose our office estate and deliver revenue savings. Led by the Redesign Board, it is intended that possible early opportunities for repurposing / rationalising our office estate are considered as reported to the Redesign Board on 8 November 2021. As reported to Redesign Board [on 8 November 21 \(item 4\)](#), the operational revenue budget for the related properties is £231k, with an estimated market value of £1.7m. With Redesign Board approving the recommendations a report is now being presented to The Highland Council on 9 December 21. As reported at 8.1, any capital receipts by this project have NOT been included in the forecasted cashable benefits. In terms of timing, it may be into 22/23 before all such benefits can be achieved hence the reported Amber ragging above.

## 9. Future Projects

9.1 As reported to this Board on 29 March 2021, change / improvement and can be considered at different levels. The diagram below represents the different types of changes/improvement. Considered left to right, in terms of complexity and risk; from right to left in terms of priority of investment.



9.2 The three levels can be described as:

- **Performance Improvement:** Forms part of Services Service Plans. 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. Progress would be reported to respective Strategic Committees and Redesign Board, as appropriate.
- **Business Change:** Forms part of Services Service Plans. 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. Progress would be reported to the respective Strategic Committees and Redesign Board, as appropriate.
- **Transformational Change:** Forms part of the Council's Improvement and Transformation Programme. 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. 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. This role is fulfilled by the Recovery, Improvement and Transformation Board with the respective Strategic Committees and Redesign Board responsible for project delivery.

9.3 Led by the respective Services and facilitated by the Transformation Service and HR, staff workshops are taking place from November 21 to identify transformational ideas that building on the Council's ambitious Programme approved in March 2021 by The Highland Council as part of its Health and Prosperity Strategy. Such efforts could also support the Council's budget process for 22/23 and beyond thereby supporting the ongoing commitment towards medium term financial planning. The workshops will comprise staff of varying grades.

9.4 The ideas gathered will be considered as part of the established budget process including ultimate consideration / approval by The Highland Council.

Designation: Executive Chief Officer –Transformation

Authors:

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Date: 18 November 2021

## Appendices - Summary

Project	Appendix	Projects / Workstreams / Portfolio
<b>Economy</b>	1	<ul style="list-style-type: none"> <li>• Growth Investment</li> <li>• Planning</li> </ul>
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A1 **Appendix 1 - Economy**

**Sponsor - ECO Infrastructure & Economy; Peer - ECO Performance & Governance**








A1.1 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 two workstreams: Growth Investment and the next Economy & Infrastructure Strategic Committee to which an update will be provided is on 1 September 2021.

A1.2 **Growth Investment**

The project includes 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.

**Activities Undertaken (This Reporting Period Sept 21 – Dec 2021)**

Activity	<b>Status</b> No significant progress Some Slippage On track Completed	<b>RAG</b>    	Notes
Appointment of Programme Manager (Growth Investment)	On track		An internal appointment has been made and the successful candidate will start once backfill arrangements are in place. In the meantime, the Head of Development & Regeneration is continuing work to take new projects forward.
Lochaber & Skye levelling up bid	On track		Awaiting notification from UK Government on timescales for submission of new levelling up bids.
Inverness Levelling up Bid	On track		We have just been notified that this £20m bid has been successful for zero carbon initiatives – currently waiting for more detailed info from UK govt and meeting request.

A1.3 **Key Issues, Risks and Mitigation**

<b>Description</b>	<b>Category (Risk or Issue)</b>	<b>Status (23 Aug 21) (High, Medium or Low)</b>	<b>Updated Status (29 Nov 21) (High, Medium or Low)</b>	<b>Mitigation</b>
Levelling up bids potentially being unsuccessful	Issue	High	High	Both the Caithness and NC500 bids were unsuccessful - Detailed feedback requested from UK Government to determine whether resubmission is appropriate/possible and what, if any changes would be required. Detailed feedback was requested on 28 October 21 and as shown on following page, we await timetable from UK Govt.
Levelling up bid for Inverness becoming unachievable due to either cost/deliverability issues	Risk	N/A	Medium	Initial studies being carried out to determine deliverability. Additional funding opportunities are also being explored. Update will be reported to E&I Committee 2 Feb 22.

A1.4 **Planned Activity in the next Reporting Period (Jan 22 – March 22)**










<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Levelling up bid for Lochaber	Unknown	Awaiting timetable from UK govt.
Resubmission for levelling up bids for Caithness/NC500	Unknown	Awaiting timetable from UK govt.

## A1.5 Planning Monitoring Officer

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. 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.

Since the last highlight report two further projects have been taken through the Priority Determination Service bringing the total income through the priority services to £101,108 so far, this financial year. (This is in addition to the £139,200 accrued via priority services in financial year 2020/21).

## A1.6 Activities undertaken (this reporting period – Sept 21 – December 2021)

Activity	Status	RAG	Notes
	<b>No significant progress</b> <b>Some Slippage</b> <b>On track</b> <b>Completed</b>	   	
Appointment of Planning Monitoring Officer	<b>Completed</b>		Planning Monitoring Officer appointed as a graduate planner and commenced their post on 06 September 2021.
Delivery of framework monitoring proposals for all major developments	<b>On track</b>		Work commenced and likely to be completed on the initial projects identified by calendar year end.
Restoration bond monitoring review	<b>Some Slippage</b>		Work to be commenced in late November 2021 following cross service meeting. It is anticipated that it will be complete by February 2022. This has been expanded out to include production of guidance on bond requirements to be shared with developers via the website.
Modifications to pre-application advice to ensure awareness is raised of our value-added services	<b>On track</b>		This is ongoing work where all pre-application advice packs issued through our pre-application advice service for major developments will highlight the opportunity to use our value-added services and the benefits of the project.
Monitoring and	<b>On track</b>		A programme of monitoring of

Enforcement of landscaping proposals			compliance with landscaping proposals has been commenced focussing initially on recently completed developments. This will be an ongoing piece of work with a robust monitoring framework being put in place.
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#### A1.7 Key Issues, Risks and Mitigation

Description	Category (Risk or Issue)	Status (23 Aug 21) (High, Medium or Low)	Updated Status (29 Nov 21) High, Medium or Low)	Mitigation
Lack of projects being brought forward through the satisfaction of conditions service - Less funds being secured through this workstream	Risk	Low	Low	Continued promotion of the service through a range of channels, including with industry bodies.
Lack of projects being brought forward through the priority determinations process - Less funds being secured through this workstream	Risk	Low	Low	Continued promotion of the service through a range of channels, including with industry bodies.
Significant demand for both / either of the priority services and inability to deliver against targets	Risk		Medium	Active workload monitoring is taking place to ensure that appropriate resources are available to provide the services and where resource capacity is being breached a waiting list will be put in place.
Lack of external consultee buy in for both / either of the priority services and inability to deliver against targets	Risk		Low	Communication and collaboration with key external consultees to make them aware of the process and provide early notification of projects likely to utilise the services.

A1.8 **Planned Activity in the next Reporting Period (1 January 22 – 31 March 22)**










<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Delivery of framework monitoring proposals for all major developments	Ongoing	Work commenced and likely to be completed on the initial projects identified by calendar year end.
Restoration bond monitoring review	28 February 2022	Work to be commenced in late November 2021 following cross service meeting. It is anticipated that it will be complete by February 2022. This has been expanded out to include production of guidance on bond requirements to be shared with developers via the website.
Modifications to pre-application advice to ensure awareness is raised of our value-added services	Ongoing	This is ongoing work where all pre-application advice packs issued through our pre-application advice service for major developments will highlight the opportunity to use our value-added services and the benefits of the project.
Monitoring and Enforcement of landscaping proposals	Ongoing	A programme of monitoring of compliance with landscaping proposals has been commenced focussing initially on recently completed developments. This will be an ongoing piece of work with a robust monitoring framework being put in place.

A2 **Appendix 2 - Asset Rationalisation & New Ways of Working (AR/NWoW)**

**Sponsor – ECO Property & Housing; Peer – ECO Education & Learning**

A2.1 This 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. This ambitious and significant project is therefore about introducing new ways of working and delivering a revised accommodation estate which will include repurposing and rationalisation of our existing office accommodation estate. Led by The Redesign Board. Board members form part of the Project Team.

A2.2 **Activities undertaken this reporting period (Sept 21 -December 21)**

Activity	<b>Status</b> No significant progress Some Slippage On track Completed	<b>RAG</b>    	Notes
Report to Redesign Board	On track		Further to Redesign workshop on 14 <sup>th</sup> October, report to Redesign Board on 8 <sup>th</sup> Nov 21 approved the list of offices in scope for review and potential rationalisation, and approved the strategic approach to the review and rationalisation of the Councils Office Portfolio.
Report to Council	On track		Following approval of recommendations at the 8 <sup>th</sup> November 2021 Redesign Board, these recommendations will now be presented to full Council on 9 <sup>th</sup> Dec 21 for formal approval.
Report to P & H Committee	On track		An update will be provided to the Property and Housing Committee on the 15 Dec 21. This report will provide an update of properties identified by the Redesign Board and the next steps taken by the project team.
Approval of the New Ways of Working Vision	On track		ELT are currently reviewing the vision for the New Ways of Working project. This will be combined with pre-existing HR Policies and Guidance to develop a new homeworking policy.
Support Staff and Members with phased return	Some Slippage		Returns are ongoing and new guidance is being issued to Managers. Risk Assessments have been amended to place a

			greater emphasis on the measures required to keep staff as safe as practical over the Winter months.
Address the data gaps	<b>On track</b>	●	Initially data was updated to ensure that initial decisions over 'quick win' Asset Rationalisation targets are as informed as possible. Separately, all properties will undergo condition surveys via external provider(s). This will fill remaining data gaps and bring the asset knowledge base up to date. Condition surveys will continue throughout 2022 and will be prioritised to inform further decision making over assets, resulting from the Redesign Board, Council approval and Area reviews.
Undertake full condition surveys (excluding the education estate)	<b>On track</b>	●	Full property surveys of depots are ongoing. These surveys will be complete by an external provider and released to the Property Team in January 2022. A review of the survey results will inform an action plan that will form phase 2 of the New Ways of Working project.  For all remaining properties, surveying is being prioritised towards assets where the current data quality is low.
Integration of all data sets into the Concerto property system	<b>On track</b>	●	As part of the property strategy Concerto will contain all information relating to assets.
Completion of asset data gathering for short-term opportunities that are being progressed for rationalisation and/or repurposing	<b>On track</b>	●	Decisions over assets need to be fully informed by accurate data. The property team are developing the Concerto system to store all asset information.  The work package will be complete once the data sets are of sufficient quality to inform decisions relation to asset rationalisation.
Closer working with partners in NHS to identify asset sharing opportunities	<b>On track</b>	●	Conversations are also ongoing with other public bodies over potential sharing opportunities. NHS Highland retains local decision-making over assets decisions. Exploratory conversations have concluded with the NHS Highland Director of Estates, Facilities and Capital

			<p>Planning. The NWoW project team will be working directly with the NHS Highland, Head of Facilities to share information over core assets (recognising that rationalisation efforts will result in a reduced NHS Highland and THC portfolio). The expected output will include pilot option(s) for both parties following which a timeline will be developed.</p>
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## A2.3

## Key Issues Risks and Mitigation

Description	Category (Risk or Issue)	Status (23 Aug 21) (High, Medium or Low)	Updated Status (29 Nov 2021) (High, Medium or Low)	Mitigation
Initial Office Returns: RPO coverage is not in place at all 9 Hub offices	Risk	Medium	Medium	A timeline is currently being identified by the Property service for a review of the RPO role. RPO coverage was not in place in all of the hub offices prior to the pandemic and mitigations have been in place for some time.
Initial Office Returns: Short notice changes of Scottish Government Announcements	Risk	Medium	Medium	The project team has prepared for a number of scenarios and will be able to react quickly to any further tightening or easing of restrictions.
Initial Office Returns: Initial returns result in/migrate to previous ways of working	Risk	Medium	Medium	The Executive Team and full Council have committed to the adoption of a dynamic model of working (following the strong responses from the recent staff survey). The initial returns are a steppingstone before further engagement with teams, towards the co-development a tailored dynamic model.
Project Resourcing: Recruitment of full project team	Issue	High	Closed	
The full budget savings target may not be achieved in full or on time	Risk	N/A	High	There remains a significant gap towards meeting the full target. The project team will continue to liaise with ELT and the Redesign Board to identify

				opportunities to meet the full target.
Property data gaps may lead to poor decision making	Risk	N/A	Medium	External condition surveys will be carried out on properties where further information is required. Surveys will be also be prioritised against properties where data may impact upon usage decisions. All new data sets are being updated into the Concerto asset management system.
Carbon Neutral Targets will be difficult to achieve without a high level of rationalisation	Risk	N/A	Medium	Achieving carbon neutrality by 2040 is a key THC strategic aim. If not achieved the level of penalties will become increasingly unsustainable. The NWoW team is working closely with the climate team to align objectives and share data. Green investments will cost less over the longer term.

## A2.4

**Planned Activity in the next Reporting Period (1 January 22 – 31 March 22)**

<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Area based ward engagement	June 2022	Process is ongoing to develop a package of materials by ward area that merges property management strategies with a ward-based portfolio of assets. This will permit informed localised decision making over an optimal use of assets.
Team engagement	Throughout 2022	As part of bringing the New Ways of Working vision to reality the project team will work with teams across the office estates to fully embed hybrid models of working and explore opportunities to enhance collaborative working.
ICT equipment (laptops)	June 2022	The £1 million investment in laptops, screens and docking stations is expected to arrive during the first 6 months of 2022. These will need to be deployed in a prioritised order to those teams that are limited from adopting a hybrid model, due to using fixed computers.
Depot review	March 2022	The condition surveys of depots and stores will conclude during Jan 2022. These will be reviewed to form an action plan and identify next steps.
Asset Review and potential Rationalisation	Throughout 2022	Ongoing review and potential rationalisation of the properties identified by the Redesign Board and approved by full Council on 9 Dec 2021.








A3 **Appendix 3 - Service Redesign**

**Sponsor – ECO Transformation; Peer – ECO Resources & Finance**

A3.1 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.

A3.2 On 13 May 21, the Highland Council agreed to a restructure of the Senior Leadership Team to include a Depute Chief Executive and reduce the number of ECOs from 8 to 7 permanent ECO posts.

A3.3 **Activities undertaken (this reporting period Sept 21 – December 21)**

Activity	<b>Status</b> No significant progress Some Slippage On track Completed	<b>RAG</b>    	Notes
Recruitment to Depute Chief Executive & vacant Heads of Service	Some Slippage		Interviews for the Depute Chief Executive took place early September with a decision not to appoint. The recruitment panel has re-convened to discuss options. Temporary arrangements have been put in place to deputise for the Chief Executive, pending permanent recruitment to the Depute Chief Executive vacancy. Work is concluding on the appointment of the remaining Head of Service posts, with the Head of Education (Early Years & Primary) being readvertised.
Communication with all stakeholders. Communication plan being developed including communicating appointments and support roles in structure.	On track		HR/Corporate Comms.
Continue with ongoing restructuring	On track		A follow-on peer review will be held early December 2021.

reviews led by respective ECOs supported by Peer reviews			
HR BPs lead on Engagement with Heads of Service	<b>On track</b>	●	HR Lead.
Talent Manager undertaking market research to support recruitment to Head of Service (Early Years and Primary) and Depute Chief Executive	<b>On track</b>	●	HR Lead.
Design job specs and evaluation of posts to support restructuring process	<b>On track</b>	●	HR Lead.
Restructuring reviews led by respective ECOs supported by Peer reviews	<b>On track</b>	●	Senior Leadership/HR.
Interim arrangements for ECO – Communities & Place	<b>On track</b>	●	Led by the Chief Executive and supported by HR, interim arrangements are to be implemented with effect from end November 21 which will support an effective transition of responsibilities.

## A3.4

**Key Issues, Risks and Mitigation**

<b>Description</b>	<b>Category (Risk or Issue)</b>	<b>Status (23 Aug 21) (High, Medium or Low)</b>	<b>Updated Status (29 Nov 2021) (High, Medium or Low)</b>	<b>Mitigation</b>
Recruitment to senior post vacancies	Risk	Low	Low	Two advertised posts remain vacant however interim arrangements have been put in place to provide temporary cover. Recruitment options are being considered to fill these posts.
Engagement with Trade Unions (TUs)	Issue	Low	Low	Hold regular meetings with TUs (Corporate and Service) to ensure issues are being identified and addressed through partnership arrangements with unions.
H&S Implications - Knowledge of the health and safety risks within Services	Risk	Medium	Medium	IOSH for Senior Executives course completed in September 21; another course (mop-up) to be undertaken in December. H&S workshops with OHSW Manager also continue to be undertaken.

A3.5 **Planned Activity in the next Reporting Period (1 January 22 – 31 March 22)**

<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Re-advertise Depute Chief Executive & Head of Service (Early Years and Primary) vacant posts, pending discussion with the Recruitment Panel	Ongoing	HR/Talent Team. Interim arrangements put in place to cover both vacancies.
Communication with all stakeholders	Ongoing	HR/Corporate Communications.
Continue with ongoing restructuring reviews led by respective ECOs supported by Peer reviews	Ongoing	
Advertising of the ECO - Communities & Place permanent post	Ongoing	

## A4 Appendix 4 - Digital Transformation

### Sponsor – ECO Transformation; Peer – ECO Performance & Governance

A4.1 This project aims to deliver the digital transformation of services and the development of the Council's digital strategy. There are three projects: Connected Customers; Digitising Records and Microsoft Navigator. A full detailed report will be presented to the Corporate Resources Committee on 25 August 2021 providing an update on progress.

A4.2 At a one-off cost of £198k, this project will deliver £254k annual recurring savings and robust business cases to support the Council's Digital Transformation objectives. The project is currently being delivered on-time and within budget.

### A4.3 Activity undertaken (this reporting period – September 21 – December 21)

Activity	Status No significant progress Some Slippage On track Completed	RAG ● ● ● ●	Notes
Plan for a Digital Workforce - Staff Surveys	On track	●	<p>The first stage of the Plan to deliver a Digital Workforce was initiated through the development and issue of the Staff survey.</p> <p>The staff survey went live in September 21 and closed late October 21.</p> <p>UHI are to undertake an analysis of the survey with results being shared by Highland Council as widely as possible. Engaging staff after surveys is recognised as important as effective engagement is before and during a survey itself.</p> <p>This analysis will also be part of what informs the final development of the Digital Workforce plan with additional insight taken from the findings of the Digital Maturity Assessment and Digital Technology review reinforcing the interdependencies of the products within this Project.</p> <p>Results are expected to be available by January 22 and staff engagement will follow including learning and opportunities.</p>



Member's survey	On track	●	<p>Single Members Survey being designed covering Digital Transformation and a range of other matters such as views on governance arrangements. It is anticipated the survey will be issued during November 21.</p>
Digital Technology audit and review	On track	●	<p>As part of the ongoing work to review the ICT Strategy, ICT are conducting a review of the current Line of Business applications being led by a newly appointed IT Solutions Architect (Applications and Data).</p> <p>One of the initial tasks to be undertaken is to review the current application portfolio and respective contracts by the end of this calendar year.</p>
Digital Maturity Assessment review	On track	●	<p>The Digital Maturity Assessment product is underway. Highland Council being the first Scottish Council to be undertaking a revised post-covid version of the assessment.</p> <p>The DT Project Team are working closely with Digital Office Scotland who will facilitate the assessment.</p> <p>The Digital Office Scotland will engage via 1:1 with various senior managers / post holders complemented with a series of staff focus groups across Highland Council and HLH.</p> <p>The intentions are to produce an Assessment report and Action Plan ready for implementation during 2022.</p> <p>As part of this product, the Digital Office and the DT project team will also work collectively to create a self-assessment toolkit for THC to monitor their digital maturity progress.</p>
Microsoft	On track	●	<p>The Digital Transformation Team have been working closely with Microsoft to help drive forward Digital Transformation, as a key driver in increasing efficiency and productivity. An objective of this activity is to also</p>

			<p>identify how THC can maximise the utilisation of the current systems the Highland Council hold licenses for.</p> <p>The ECO Health &amp; Social Care, Service staff and the Transformation Service are working closely with Microsoft to better understand the challenges faced by the service and the ICT systems currently being used. This includes a series of sessions and workshops with key members of Children's Services. This will help identify short, medium and long-term digital solutions to help support the work undertaken by Children's Services including building robust business cases for digital solutions.</p>
Digital Strategy	On track	●	<p>The team have researched best practice for Digital Strategy across Scottish Councils gathering information on various approaches when aligning data and digital strategies.</p> <p>The valuable insights and learnings during the project thus far will help to inform this work.</p> <p>The Digital Maturity Assessment and Digital Workforce Plan products will form part of the Digital Strategy which will, in turn, provide basis for both THC's Digital and Data Strategies. Another example of reinforcing the interdependencies of the products within this Project.</p>
Data Strategy	On track	●	<p>The Digital Transformation project team are working on a programme to gather best practice and research on what should be considered as part of a Data Strategy.</p> <p>The Digital Transformation Project Team are working closely with Performance &amp; Governance to ensure a sustainable Data Strategy safeguarding the organisation now and in the future. The Data Strategy will sit within the overall Digital Strategy helping to shape a robust framework and roadmap for Digital Transformation.</p>

Internal Stakeholders engagement	On track	●	<p>The Stakeholder Engagement plan is progressing well. The team have met with over 50 stakeholders with meetings. Meetings are 1:1s, Service Management Team meetings etc.</p> <p>The Digital Transformation Project Team are currently collating Best Practice Case Studies from across THC demonstrating good Digital Transformation work undertaken to date.</p> <p>The Digital Maturity Assessment programme will also provide the DT team with the opportunity to gather further insight and continue to connect with stakeholders.</p>
External Stakeholders Engagement	On track	●	<p>A proactive approach continues to be followed including regular contact with HLH, with other Councils such as Aberdeen City Council, Digital Office Scotland and Society for Innovation and Technology and Modernisation (SOCITM).</p>
Established working group with ICT team and DT	On track	●	<p>A weekly working group has been established and commenced in October 21.</p> <p>The purpose of the working group is to ensure consistent communications, collaboration and consistency across the work being undertaken by DT team and ICT.</p>
Connected Customers	On track	●	<p>Introduce Council Tax on-billing option from April 22.</p>
Conduct monthly Project board meeting	On track	●	
Report to Corporate Resources Committee	On track	●	<p>Next meeting 24 November 2021</p>
Prepare and submit report to RITB Board	On track	●	<p>Next meeting 29 November 2021</p>

#### A4.4 Key Issues, Risks and Mitigation

Description	Category (Risk or Issue)	Status (23 Aug 21) (High, Medium or Low)	Status (29 Nov 21) (High, Medium or Low)	Mitigation
A risk is that relevant parties may not appreciate the scope; magnitude; and importance of digital transformation and how their role will be critical to creating the right conditions to make digital transformation a success	Risk	High	Medium	Options being considered include securing an inspiring speaker to articulate the scale and importance of digital transformation; and its potential benefits for Highland citizens, businesses; and other stakeholders; as well as for the Council itself.
On review of the ICT Digital Strategy, they are carrying out an Application portfolio review which means that both the DT Project team and ICT are undergoing a review of the HC Technology Systems & contracts	Risk	Low	Low	Ownership of review to be taken over by ICT. Completion date of review to aim to stay within the original planned DT project timeline.
The Digital Maturity Assessment is dependent on the availability of the senior leadership team and the senior management attending one on one interviews and workshops. We need to start from the top with the CEO	Risk	Medium	Medium	Support in securing availability with senior leadership including DT Board members would be beneficial and progressing with meeting co-ordination asap is essential. CEO of Digital Office met Chief Executive and ECOs on 10 Nov 21 as part of engagement approach for DMA and as a pre-meet in advance of the formal 1:1s.

and work down through the organisation structure. If we are held up with interview confirmation, then this might delay the process				
The Plan for a Digital Workforce is dependent on findings from the Survey, DMA, and technology review for finalisation	Risk	Medium	Medium	Ensuring there is a continued link between all products and services that will feed into this product output.
Microsoft Partnership - We will soon need to engage with ICT with regards the work being undertaken by MS. This is at a time that ICT are at full capacity and may not have the bandwidth to support on this	Risk	Medium	Medium	DT PM will work closely with MS to ensure that we gather as much information as possible through liaising with the specific service and providing ICT detail on what might be needed from them as early as possible.
Data Security - As digital transformation will affect the Council's use of personal data about our customers and our staff	Risk	Low	Low	DT project team have liaised with P&G team who have reviewed our plan and recommended we stay aware that privacy risks associated with products and projects should be identified and managed through project risk logs" This has been logged.

**A4.5 Planned Activity in the next Reporting Period (January 22 – 31 March 22)**

<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Digital Maturity Assessment		January 2022 will see the production of an action plan and setting out of a clear roadmap. Also, the creation of a self-assessment

		toolkit to monitor digital maturity progress.
Digital Workforce Plan		Finalisation of the digital workforce plan that will complement the Highland Council workforce plan toolkit.
Digital Strategy		The Digital Strategy work will begin in earnest in January 2022 and the various insights, learning etc. being gathered during the project thus far will helpfully inform this work.
Data Strategy		The Data Strategy work will begin in earnest in January 2022.
Conduct Monthly Project Board meeting	Ongoing	
Report to Corporate Resources Committee	Ongoing	
Prepare and submit report to RITB board	Ongoing	

A5 **Appendix 5 - Social Care  
Sponsor – ECO Health & Social Care; Peer – ECO Property & Housing**

A5.1 This project aims to support the review of the NHS partnership and respond to the challenges facing adult social Care and placement services.

A5.2 There are three projects/workstreams within the Social Care project: NHS Partnership Review; Adult Social Care; and Placement Services.

A5.3 The programme is intended to transform services to the benefit of service users. The way this is achieved is by managing a group of related projects to deliver new ways of working and new services (including commissioning) against an agreed end state. The stage of development for each of the projects is shown below. The table below sets out an overview of the current status of projects being developed by the various workstreams.

A5.4 **Activity undertaken this Reporting Period (September 21 – December 21)**

Activity	Status No significant progress Some Slippage On track Completed	RAG ● ● ● ●	Notes
The identification and development of further cost efficiency initiatives for year 1 (21/22)	On track	●	Against a £3m target for 21/22, the unadjusted pipeline total of savings already identified is £2.57m (compared to £1.95m in August 21). The risk adjusted pipeline total is £2.175m (compared to £1.45m in August 21).
The identification and development of further cost efficiency initiatives for years 2 and 3 (22/23-23/24)	Some Slippage	●	Work is underway to determine targets years 2 and 3 and is discussed at weekly meetings of the programme led by the SROs being the Council's ECO (HSCW) and the Chief Operating Officer for NHS, That progress is reported to the Joint Monitoring Committee who have governance for partnership business and hence the programme. Progress will be discussed there in January and was

			discussed in October. The Programme Board meets in December and is sighted on the current position.
The development of a target operating model for the partnership	On track	●	A draft Vision has been agreed and will be developed in first quarter 2022
The identification of further transformational savings projects	On track	●	
Preparation and approval for business cases/ mandates where possible	On track	●	Full timetable for initial mandates and project development shown in planned activity
Development of Monitoring for project progress monitoring	Completed	●	Complete

#### A5.5 Key Risks Issues and Mitigation

Description	Category (Risk or Issue)	Status (23 Aug 21) (High, Medium or Low)	Status (29 Nov 21) (High, Medium or Low)	Mitigation
Financial: After initial assessment there is a shortfall in the possible amount of money available against expectations (formal target £3m)	Risk	Medium	Low	Project development to be scrutinised for focus and route to cashable efficiencies and when these will be delivered.
Prioritisation of the transformational programme whilst in a continuing and faced paced period of Covid-19 related change	Risk	Medium	Medium	Ongoing scrutiny and reporting to JMG of impact.
Deliverables: If the constituent projects are not capable of delivering the objectives from the Programme Board the Programme will not be successful	Risk	Medium	Medium	Progress to be scrutinised for ability to deliver cashable efficiencies and transformation. To be escalated in the first instance to the CEO oversight mtg.
Performance and Business Intelligence Information capacity does not match the	Risk	Medium	Medium	Investigate "gap" in provision and the consequences of the gap.



needs for the Programme Determining efficiencies, good decision making, and planning requires business intelligence and data				
National Care Consultation. This was launched, with extended scope, on 9 August 21	Risk	Not scored	Medium	Response has now been submitted and there will be a need to respond to any changes made by SG and to respond to any further consultation exercises there may be.

**A5.6 Planned Activity in the next Reporting Period (1 Jan 22 – 31 March 22)**

<b>Activity</b>	<b>Target Date/ Review Date</b>	<b>Notes</b>
Agree Mandate Community Led Support Project	1/12/2021	Under Consideration
Agree Mandate Transitions Project	1/12/2021	Under Consideration
Housing project Mandate	Review Date 8/12/2021	Project in Development prior to completion of mandate
Shared Lives project Mandate	Review Date 8/12/2021	Project in Development prior to completion of mandate
Project(s) Older People to be developed	Review Date 8/12/2021	Project in Development prior to completion of mandate
Neural Developmental Assessment Service	Review Date 8/12/2021	Project in Development prior to decision on seeking mandate
CHS - Performance Management Framework	Review Date 8/12/2021	Project in Development prior to decision on seeking mandate
Children's Health Service Cost Efficiencies	Review Date 8/12/2021	Process for approving initiatives will need to be agreed
Engage with Strategy Group Members over vision	31/12/2021	Vision required for developing Target Operating Model and alignment of projects

**A5.7 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.

## A5.8

**Activities undertaken this reporting period (Sept 21 – December 21)**

<b>Activity</b>	<b>Status</b> No significant progress Some Slippage On track Completed	<b>RAG</b> ● ● ● ●	<b>Notes</b>
Formal review of Residential Care	On track	●	An external senior manager has been brought in to carry out a review of residential services. This will conclude mid-March 2022.
Prepare & submit report to Health, Social Care and Wellbeing Committee Nov 11	On track	●	An update on the placements increase was written by the Placement Services Programme Manager in the Revenue Report.
Recruitment of Placement Officer Post	Some Slippage	●	Post funded by the Service as part of the establishment. Job description is being examined to ensure it is fit for purpose. Recruitment to take place asap.
Recruitment of Project Manager for Fostering and Kinship Project	Some Slippage	●	Post funded by the Service as part of the establishment. Recruitment to take place asap.
Recruitment of PM for The Promise	Some Slippage	●	Post funded by the Service as part of the establishment. Post was advertised in Oct but no appointment made; has been readvertised in Nov

## A5.9

**Key Risks Issues and Mitigation**

<b>Description</b>	<b>Category (Risk or Issue)</b>	<b>Status (23 Aug 21 Update) (High, Medium or Low)</b>	<b>Status (29 Nov 21) (High, Medium or Low)</b>	<b>Mitigation</b>
Financial: continued risk that the number of children requiring to be looked after and	Issue	Medium	High	Practice model being reviewed as part of re-design. Continue to develop financially beneficial alternatives that meet the needs of these children within the Highland area.

accommodated continues to increase				
Prevalence of County Lines/Child Exploitation increased in last 18 months with our LAC children/residential units being targeted.	Issue	Medium	High	Application being made to the Scottish Government to increase the one dedicated Highland Barnardos worker to two, to offer direct support to children and social workers.
Recruitment to some posts delayed: Strategic leads, Placement Officer, Fostering & Kinship PM Promise PM	Issue	Medium	Medium	Recruitment planned for coming months
Some residential services in-area are struggling with a variety of staffing issues which can influence children going out of area.	Issue	High	High	Formal review has begun by external manager regarding this, aligned to the practice model.
Process of Agreeing OOA Placements	Risk	Medium	Medium	To be formalised via a placement governance group – dates to be in diary and attendees to be agreed.
Lack of respite support for families of children with complex disabilities.	Issue	Medium	Medium	Seek to reopen respite services whenever possible following Scottish Government guidelines

A5.10

**Planned Activity in the next reporting period (January 22 – March 22)**

Activity	Target Date	Notes
Recruitment of key strategic senior posts.		To conclude in first quarter of 2022 and help drive forward service priorities.
Placement Team work	Ongoing	The team continually assess out of area placements with lead professionals to

with Family Teams to return x7 children from OOA		determine which children could be returned to Highland – there will be redoubled focus on this activity.
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A6 **Appendix 6 - Climate Change  
Sponsor – ECO Performance & Governance; Peer – ECO Communities  
&Place**

A6.1 This investment will contribute towards delivering the transformation required meet the Council’s commitments to Climate Change and will be delivered alongside the wider climate change action plan and associated initiatives.

A6.2 There are three specific projects being supported as part of the Transformation Programme:

- The development of hydrogen and low carbon heat strategies;
- Decarbonisation of the Council’s fleet; and
- Food Growing/Community engagement.

A detailed update was provided to the Economy and Infrastructure committee on 1 September 2021. These initiatives are an important addition to the action underway to deliver the Council's Climate Change commitments and further work is ongoing looking at how the Council can work with partners and the Scottish Government with Climate Change as key driver to deliver large scale transformational projects. This will be brought forward to a future Council meeting

A6.3 **Hydrogen and Low Carbon Heat Strategies**

This workstream focusses on the 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. It also aims to ensure that opportunities within the capital programme as well as strategic partnering opportunities are maximised in respect of delivering carbon reduction for both the Council and wider region.

Additional funding will also be secured where possible. Positively, the funding bid for £39k for the development of Local Heat and Energy Efficient Strategies (LHEES) has been successful. A bid for £20k for the feasibility study on Hydrogen Forecourt has also been successful. This funding has been secured through SG Award to Aberdeen City to explore Refuelling Sites in the City. This has been opened to identify strategic sites in Inverness through an agreement for close collaboration in delivering a Hydrogen Economy in the North.

A6.4 **Activities undertaken this reporting period (Sept 21 to December 21)**

Activity	Status No significant progress Some Slippage On track Completed	RAG ● ● ● ●	Notes
Housing: Frame out a short-term strategy/policy	On track	●	Currently developing a project for understanding the timescale and disruption involved in the various interventions needed in improving

<p>which will introduce methods and procedures for maintaining property within the context of low carbon.</p>			<p>efficiency in stock.</p> <p>The Property &amp; Housing Service (Housing) are reviewing stock and providing a selection of house types for the costing process. The Project can hope to initiate a trial using void properties to get a detailed understanding of timescales and through the introduction of monitoring the Project will be able to assess the performance of the buildings in real time.</p> <p>The approach needs to focus on maintaining long term flexibility until a region wide strategy has been developed.</p>
<p>Property: Develop a short-term strategy for enhancing usage of low carbon technologies to reduce a continual cycle of adding to the existing issue, which will include work to understand the whole life cost of Biomass installations in the region.</p>	<p><b>On track</b></p>	<p>●</p>	<p>The Project are in early discussion with a biofuel supplier who are keen to support a pilot conversion of one of The Highland Council's oil/gas properties to allow us to measure performance and operational costs. Biofuel could offer us an opportunity to reduce carbon in The Highland Council's non-domestic buildings where replacements are urgent but the additional work on energy efficiency has not been carried out. It is being viewed as a transitional solution.</p> <p>This will help assess whether long-term use should continue running stand-alone sites or if they could be better utilised in supply to multiple sites.</p>
<p>Transport: continue work to obtain test vehicles for the area which will allow enhanced understanding of how the vehicles could operate in the Highlands</p>	<p><b>Completed</b></p>	<p>●</p>	<p>Inverness have run test vehicles during October/November covering public transport, RCV's, Road Sweeper and car. The initial feedback has been encouraging. The bus which was 100% fuel cell produced performance result over various routes in the area which have exceeded the manufacturers expected results. The RCV and Sweeper performed as expected the Project are working on understanding where the parity price point needs to be. The Hybrid solution is the ideal first step for The Highland Council's own fleet. The vehicles will run on Diesel, so it alleviates any fuel concerns as the</p>

			infrastructure develops. Without a commitment to vehicles on the road it is challenging to secure long-term infrastructure.
Continue to work with the transport team on how best to develop a fuel network in the Highlands introducing various stakeholders and source funding opportunities to get some working examples in place.	<b>On track</b>	●	<p>The Project has opened early discussion with Transport Scotland, and a cross section of fleet users. Forestry commission, Scottish Wholesale association, Tesco, Iceland, Eddie Stobart, Road Haulage Association &amp; Eden Seven attended initial discussions. The Private sector have a willingness to transition with mixed views. The larger operators see vehicle availability at scale to be an issue but are ready to order as long as infrastructure is available, they see this as having to come through Government in the short/medium term.</p> <p>The independent carriers represented by Scottish Wholesale and Road Haulage are looking for support in vehicles from government. They see the current model with a reliance on the second-hand market for asset disposal as an issue and needs supported during transition. There is a willingness to look at new models via leasing – Transport Scotland felt it was the right model and have been clear there will be little or no support in Private sector vehicles with their likely limited funding focused on stimulating infrastructure growth.</p> <p>This could include establishing a working group with commercial road Hauliers in the Highlands who essentially face the same issues and are at varying stages of developing their own decarbonisation strategies. It would be valuable to develop some early synergies. Early adoption commercially will help to deliver market driven cost saving.</p>
Continue to develop stakeholder relationships. A priority will be opening discussions with	<b>On track</b>	●	<p>New Stakeholders are approaching The Highland Council on a weekly basis while the Hydrogen landscape is moving quickly across the Region. The Project are developing an understanding of the early developments in terms of where and when. The Project are in early</p>

<p>Distribution Network Operator's SSE from a local perspective and Scottish Power for their current Hydrogen involvement.</p>		<p>discussions around how the Project bring a working group together that will help shape the embryonic opportunity into a scalable business model for the Highlands.</p> <p>The Council has regular liaison with HIE and other north of Scotland Councils The Project is developing strong relationships with a number of key stakeholders in the industry. The Project believes however through the sheer volume of interest across the region there are likely to be as many key projects being looked at which it would be useful for the Project to have sight of.</p> <p>Through the energy regulatory roundtable meetings and therefore has good oversight of developments in and around the energy and low carbon sectors. It would also be useful to have early discussions with other companies such as Eon and niche energy start-ups to understand options in energy balancing and smart localised networks. No matter how the Project progress the electrification within the Highlands will put some considerable strain on the existing network. The government have just removed the control of national grid to pave the way for a more flexible network. It will be a good time to explore how this may be utilised by Highland Council to enhance the service in the future.</p>
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## Key Issues Risks and Mitigation

Description	Category (Risk or Issue)	Status (23 Aug 21) (High, Medium or Low)	Status (29 Nov 21) (High, Medium or Low)	Mitigation
Hydrogen High Expectation. A number of early conversations have revolved around timescale for implementation	Risk	Medium	Medium	<p>Hydrogen is becoming a significant subject across the Region while some projects are moving forward at speed, the Project need to develop a Regional Strategy which will allow the opportunity to scale and flex with the market at large.</p> <p>Managing expectations will be key until a greater understanding of the opportunity is understood. Hydrogen is at a very early stage and first priority is in identifying the generation potential within the Highlands. The Project needs commitment from key stakeholders to achieve viable unit cost to understand where it can be utilised within the Highland economy.</p>
Low Carbon Heating Speed of Infrastructure development	Risk	Medium	Medium	<p>Early Discussion with the Distribution Network Operator have been positive although there are no direct solutions to ensuring capacity across the Region steps are being taken towards emergency balancing which will help, and the Project are exploring more localised solutions which could provide long term solution.</p>

				<p>Conversion to low carbon heat will increase the demand for electrical infrastructure in the Highlands. The Project needs to understand the impact on the grid and explore alternative options both in generation and storage.</p>
Buildings fit for purpose	Risk	Medium	Medium	<p>A key aspect in achieving net zero is in reducing energy demand. In moving to Low carbon heating, it is important for understanding in the importance of improving the fabric of the buildings. Through education it is important to get the message out that upgrading heating systems without the work on improving the buildings reduces the efficiency of the heating and results in increased operational costs.</p> <p>Initial net zero funding call has highlighted the issues of meeting tight deadlines with no planned fabric improvement sitting alongside the high impact works –Heating, Kitchens, Bathrooms etc. Direction at a National level is to a fabric first policy. The Project have heating projects which can be used in the funding process but building fabric work needs to be incorporated as a priority in future work, so the Project have planned works to tap into. This highlights the need for increased</p>

				awareness that taking a fabric first approach is vital to both decarbonisation and reducing fuel poverty.
Dilution of Hydrogen Opportunity	Risk	New	Medium	<p>Currently there are multiple stakeholders looking for opportunities to establish themselves within the Hydrogen Sector. The immediate focus is on the local off take which needs early adoption.</p> <p>There are two areas of risk. Lack of initial offtake from Highland Council could slow early production. Early off take from Highland Council cannot support the amount of generation under consideration the Project needs to facilitate the development of production in a managed way which develops a long-term strategy for production deployment. The potential for the Hydrogen Market is significant, it will only be realised to its full potential if the Project can instil confidence in the private sector to develop through collaboration.</p>

**Planned Activity in the next Reporting Period (Jan 22 – March 22)**

<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Deliver a Business Case for production of Hydrogen via Renewable energy with the City of Inverness	31/03/2022	Identify Generation options of renewable energy within the Longman area of Inverness to supply the local production of Green Hydrogen. For the purpose of initially providing refuelling for road transport within Inverness.
Identify Key Locations Across the region for initial Hydrogen refuelling	28/02/2022	The Project need to take an approach to deliver production to strategic areas of off-take and then understand how this market can develop within the local communities.
Develop a pilot project for Biofuels	31/01/2022	Look to identify a test site and carry out a feasibility study on the suitability for an initial conversion of existing equipment to allow for performance to be measured.
Develop a pilot scheme with housing to assess the possibility of energy performance work in voids	31/01/2022	Establish a small number of properties fitting monitoring equipment during the notice period develop an understanding of the improvements which can be met in the short time frame and then monitor the performance following the completion of works to understand how various options of energy improvements perform.
Deliver Local Heat and Energy Efficient Strategies (LHEES) project to level 4	31/03/2022	The Project are looking to take information developed during the initial phases of LHEES. Apply the updated methodology to our date and work with an external consultant to provide Region wide GIS Mapping of our heat loads.

### A6.7 Decarbonisation of Council Fleet

This workstream involves the 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. In addition, it provides 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.

### A6.8 Activities Undertaken this reporting period (Sept 21 to Dec 21)

Activity	Status No significant progress Some Slippage On track Completed	RAG ● ● ● ●	Notes
Draft process maps	Completed	●	Drafted and to be included as part of Fleet Decarbonisation strategy.
Draft fleet decarbonisation strategy	On track	●	Research and data analysis underway. Project plan in place with key milestones.
Board meeting	On track	●	Regular EV Infrastructure board meetings are being held every 8 weeks.
Stakeholder & partner meetings	On track	●	Meetings held with key stakeholders, including Scottish Futures Trust, Aberdeen City and Aberdeenshire Council.
Assess dataset	On track	●	Data analysis is underway, with support from the working group.
Set up working group	Completed	●	Working group established and monthly meetings are being held.
Installation of 18 EV charge points at 3 depots	On track	●	Site layout agreed and quotes for installation requested. Installation to be completed by March 2022.

**A6.9 Key Issues Risks and Mitigation**

<b>Description</b>	<b>Category (Risk or Issue)</b>	<b>Status (23 Aug) (High, Medium or Low)</b>	<b>Status (29 Nov 21) (High, Medium or Low)</b>	<b>Mitigation</b>
Fleet Dataset Extent and quality of data unknown	Risk	Low	Low	Dedicated access to fleet database arranged for EV team. Regular communication (working group).
Fleet EV Infrastructure funding. External funding award likely to be too low to meet targets	Risk	Medium	Medium	Calculate forecasted cost to decarbonise and assess against funding award. Explore other funding streams.
Government targets National target date of 2025 challenging	Risk	Medium	Medium	Assess once decarbonisation planning exercise is complete Report findings to Board.
Timeframe for installation of 18 EV charge points	Risk	New	Low	Prioritise project delivery incl. DNO application requests and supplier quotes. Regular communication with funder (EST).

**A6.10 Planned Activity in the next Reporting Period (Jan 22 – March 22)**

<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Fleet decarbonisation strategy complete	31 January 22	To be reviewed by working group.
Installation of 18 EV charge points at 3 depots	31 March 22	Funding to be drawn down by March 22.
Explore other funding streams	31 March 22	Identify funding opportunities or collaborative working.

**A6.11 Community Food Growing Co-ordinator**

A project within the Climate Change programme, this project will provide a dedicated Community Food Growing Co-ordinator. This post will lead on the delivery of the Council’s approach to supporting food growing initiatives as required under the Community Empowerment Act. Initial work will be to finalise the Council’s food growing strategy, Growing Our Future and taking forward the Council’s obligations within the strategy. The role will also include supporting community engagement activity related to the food growing agenda as well as the Council’s ‘Place Based approach’, identifying suitable land for food growing/allotments opportunities, developing local relationships and networks within community bodies, encouraging participation and involvement, with an emphasis on improving food growing outcomes and healthy lives across the region.

**A6.12 Activities undertaken (this reporting period – Sept 21 – December 21)**

Activity	<b>Status</b> No significant progress Some Slippage On track Completed	<b>RAG</b> ● ● ● ●	Notes
Engagement with wider stakeholders	<b>Ongoing</b>	●	Post holder started on 2nd August 2021. Postholder has joined the Highland Good Food Partnership and is chairing their Community Food Thematic group and is also part of the community food providers’ network. A survey with schools on school food growing has been conducted and individual contact is taking place on a regular basis with several community groups and other stakeholders on specific pieces of their work.
Review consultation responses and finalise draft community food growing strategy	<b>Completed</b>	●	Consultation responses have been reviewed and key points have been incorporated into the strategy re-draft. Final draft of strategy is complete and has been shared with key stakeholders prior to consideration at the Climate Change Working Group on the 10th December.
Prepare & submit report to Community and Places Committee	<b>On track</b>	●	The final strategy will be finalised following the Climate Change Working Group prior to this being presented to the Community and Places Committee for approval in February.

A6.13 **Key Issues Risks and Mitigation**

<b>Description</b>	<b>Category (Risk or Issue)</b>	<b>Status (23 Aug 21) (High, Medium or Low)</b>	<b>Status (29 Nov 21) (High, Medium or Low)</b>	<b>Mitigation</b>
Community Engagement and Managing Expectations	Risk	High	Medium	Update to community food growing THC webpage and project PR will be undertaken once the strategy is final in order to manage engagement and expectations.
Delays in meeting key milestones	Risk	Low	Low	Regular reviews of project progress are taking place between the post holder, line manager and head of service.

A6.14 **Planned Activity in the next Reporting Period (Jan 22 – March 22)**

<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Present final strategy to Communities and Place Committee	23 <sup>rd</sup> February 2022	
Continued participation with partnerships and networks	Ongoing	Engagement with stakeholders through Highland Good Food Partnership and Community Food Providers network.
Progressing actions from the Community Food Growing strategy action plan	Ongoing	Focal actions during this period: <ul style="list-style-type: none"> <li>- Green space audit</li> <li>- Planning for review of THC allotments policy</li> <li>- THC webpage for community food growing.</li> </ul>



A7 **Appendix 7 - Waste  
Sponsor – ECO Communities & Place; Peer – ECO Infrastructure & Environment**

A7.1 The aims of this project are 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. There are 2 projects / workstreams within the Waste project. Waste Strategy;and Route Optimisation.

A7.2 **Activity undertaken this reporting period (Sept to December 2021)**

Activity	Status No significant progress Some Slippage On track Completed	RAG ● ● ● ●	Notes
Following-up requirements produced by the internal and external peer review process of the options appraisal to confirm officer recommendations	Completed	●	Peer reviews took place during August. A confidential report on the outcomes of the options appraisal and proposals was made available to Members on the Members' SharePoint site in September 2021 (confidential because of current procurement underway). Member briefings on the report were provided to the Waste Strategy Member Working Group on 1.9.21 and in three further briefings in early September. Twenty-five Members attended. A summary of the options appraisal and proposals to undertake work to provide more certainty on costs, benefits, risks and issues around an EFW plant at the Longman site were submitted to, and approved at, 9 <sup>th</sup> September Council. As part of a wider green energy hub at the Longman site, an allowance of £2.8m was agreed to develop a detailed and costed project plan for the development and this information would enable Members to decide whether and how to proceed.
Medium-term waste contracts procurement process continuing	On track	●	On target and tender notice published 13.07.21. The award of contract is planned for early 2022, to be effective from 2023.
Identifying funding models in use	On track	●	Options for undertaking this high-level assessment being considered. This activity will form part of the green

for energy-from-waste facilities dealing with municipal waste elsewhere in Scotland			energy hub development programme during 2022. Some initial dialogue with other local authorities regarding their funding approach has been undertaken.
Engagement with Members from September 2021 onwards on the outcome of the options appraisal – to the Waste Strategy Working Group, an all-Member seminar to be arranged, and in contributing to any reporting to Council on phase 3 investment and the capital programme	<b>Completed</b>	●	There was engagement at the Communities and Place Committee of 31 <sup>st</sup> August and at the Member Waste Strategy Working Group on 1 <sup>st</sup> September. Three briefings open to all Members were held over 3 <sup>rd</sup> and 7 <sup>th</sup> September.
Covid-conditions permitting, energy-from-waste plant visit(s) to be undertaken	<b>On track</b>	●	Millerhill visit: original date in July postponed to 26 <sup>th</sup> August. A second visit to a different facility is scheduled for 18 <sup>th</sup> November. Invitations have been issued to Members (Member Waste Strategy Working Group, Communities and Place Committee, WSM) and Staff. It is also intended to arrange an education visit in 2022 to a third facility.
Prepare & submit report	<b>Completed</b>	●	Report was submitted to, and approved at, The Highland Council 9 <sup>th</sup> September 2021 meeting. As a result, the allowance referred to above was granted to progress the green energy hub ambition.
Green energy hub development programme being	<b>On track</b>	●	Programme prepared and submitted for the 5 <sup>th</sup> November 2021 Member Working Group meeting.

prepared for submission to Member Waste Strategy Working Group			
Green energy hub development programme resourcing to be clarified to support the allocation of tasks and programme management.	<b>On track</b>	●	Officer Waste Strategy Working Group is focusing on this requirement which will include preparing for tasks to be undertaken: <ul style="list-style-type: none"> <li><input type="checkbox"/> internally (including where new capacity is needed);</li> <li><input type="checkbox"/> externally, with options of packaging work for procurement, along with procurement support; and</li> <li><input type="checkbox"/> in this calendar year.</li> </ul>

A7.3







**Planned Activity in the next Reporting Period (1 January 22 – 31 March 22)**

<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Key project resourcing for initial programme requirements to be identified	By the end of February 2022	
Education visit to an EfW facility	By the end of March 2022	Visit opportunity which will be notified to Members (particularly Inverness Members) and Officers.
Longman ground conditions investigation requirements to be defined and commissioned as appropriate	By the end of February 2022	
Longman site ecology investigation requirements to be defined and commissioned as appropriate	By the end of February 2022	
Residual waste management contract(s) to be evaluated and awarded	By the end of March 2022	
Recycling Improvement Fund – submission of further stage 2 applications	By the end of March 2022	Stage 2 bid to be selected through prioritising the existing expression of interest submissions.

#### A7.4 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.

#### A7.5 Activities undertaken this reporting period (Sept to December 21)

Activity	<b>Status</b> No significant progress Some Slippage On track Completed	<b>RAG</b>    	Notes
A continued process of area data cleansing targeting completion of both Nairn and Badenoch and Strathspey	On track		<p>On track - Substantially complete with only limited final data being gathered. Up to the period of 31<sup>st</sup> December the project has continued to gather and improve the quality of data for existing routes, including risk assessments such as single sided streets, narrow/weight limited bridges and non-operational roads.</p> <p>Initial meetings have been held in Sutherland ready to commence with the data gathering and cleansing for current rounds to be entered into the software. Initial remodelling has been completed for the Nairn and Badenoch &amp; Strathspey areas.</p> <p>All data has now been gathered, cleansed, and entered into the route optimisation software. The 'As Is' (current routes) Data is now complete, with the target date met. A review with the Operations (Ops) has been carried out, with the target date met.</p>
A production of draft redesigned optimised collection routes for B&S and Nairn	On track		<p>Reviews of the remodelled routes for both operational areas will take place at the beginning of December 2021. An initial reroute draft has been completed to target date. The now remodelled routes for Nairn and Badenoch and Strathspey has freed up some capacity in the Inverness and</p>

			Badenoch areas, allowing for household growth and service expansion, whilst also creating more efficient rounds.
Engagement with waste operations in Inverness and Lochaber to confirm final optimised routes including engagement with Trade Unions	<b>Some Slippage</b>	●	There is some slippage due to possibility of waste transfer relocation in Lochaber.  Engagement with waste operations in Inverness and Lochaber to confirm final optimised routes has been held back due to a knock-on effect of the rerouting in Nairn and the possibility of a waste transfer relocation in Lochaber. Inverness rounds impacted by Nairn reroute and changes to rounds.  Engagement with Trade Unions completed to target.
Carry out preparatory work before commencing the next operational area	<b>On track</b>	●	Initial Meeting held with Sutherland.  Work to commence on gathering 'As Is' data 08/11/2021.
Hold a pre-Committee workshop in November 2021 on route optimisation and present a report to the Communities and Place Committee on implementation	<b>On track</b>	●	

#### A7.6 Key Risks Issues and Mitigation

Description	Category (Risk or Issue)	Status (23 Aug) (High, Medium or Low)	Status (29 Nov 21) (High, Medium or Low)	Mitigation
Going live with redesigned optimised collection routes	Risk	Medium	Medium	Continue the process of data cleansing and developing redesigned collection routes for introducing once normal service

Existing service delivery method adjusted in response to Covid risks				delivery is achievable.
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**A7.7 Planned Activity in the next Reporting Period (1 January 22 – 31 March 22)**

<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Sutherland 'As Is' Routes Finalised	10/01/2022	All data to be collected and cleansed then uploaded to the software ready to be reviewed by Ops.
Sutherland 'As Is' Review with Ops	14/01/2022	Meeting to be held with Ops to review the As Is data entered on the software and identify any areas of concern.
Completion of Sutherland First Draft Optimised Routes	28/01/2022	Run the first pass of route optimisation, followed by manual polishing before review of new rounds with Ops.
Sutherland First Draft Review with Ops	04/02/2022	Further meeting to be held with Ops to review the new rounds and identify any areas of concern.
Sutherland Optimised Routes Update	18/02/2022	Amend rounds as per outcome of review. Manual or complete software reroute dependent on review outcome.
2 <sup>nd</sup> Sutherland Review with Ops	25/02/2022	Further meeting to be held with Ops to review the updated new rounds.
Finalise Sutherland Optimised Routes	04/03/2022	Final manual polishing of optimised routes.
Sutherland Route Handover	04/03/2022	TBC
R&C As Is Routes Finalised	04/03/2022	All data to be collected and cleansed then uploaded to the software ready to be reviewed by Ops.
R&C As Is Review with Ops	11/03//2022	Meeting to be held with Ops to review the As Is data entered on the software and identify any areas of concern.
Completion of R&C First Draft Optimised Routes	25/03/2022	Run the first pass of route optimisation, followed by manual polishing before review of new rounds with Ops.

**A8 Appendix 8 - Roads & Transport  
Sponsor – ECO Infrastructure & Environment; Peer – ECO Transformation**

A8.1 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.

A8.2 There are two projects/workstreams within the Roads and Transport Project: Highland Road Improvement Strategy; and School Transport Review.










**A8.3 Highland Road Improvement Strategy**

A8.4 This workstream will review the opportunities that exist across the Highland Area to develop local Road Improvement Strategies, similar to the established South Loch Ness – Road Improvement Strategy. These will be areas of the public road network which are in poor and sub-standard condition which are subject to large scale transport impacts.

The planned activities for this reporting period detailed below are progressing and are on programme.

A Redesign Board workshop was held on 8 November 21 to help take this project forward. The intentions are for a further workshop to be held followed by a report to the Redesign Board.

**A8.5 Activity undertaken this Reporting Period (1 September 21 – 31 December 2021)**

Activity	<b>Status</b> No significant progress Some Slippage On track Completed	<b>RAG</b>    	Notes
Review and approval of Draft Project Initiation Document (PID) by the Project Manager and Sponsor	Some Slippage		Draft PID complete,
Hold inaugural Board meeting	Some Slippage		To be arranged,
Production of Risk Register	Some Slippage		To be completed.
Caithness & Sutherland	On track		Further engagement carried out with development control and the area roads teams. Further progress with the current draft road improvement strategies.
Other Areas	On track		Further work carried out to consider additional suitable locations for local road

			improvement strategies.
South Loch Ness Road Improvement Strategy	<b>On track</b>	●	Existing strategy document is currently under review to update current status. This will be used as a template document to guide the other draft and emerging local road improvement strategies.
Report to E & I Committee	<b>On track</b>	●	Next report 2 <sup>nd</sup> December 2021.

#### A8.6 Key Issues, Risks and Mitigation

Description	Category (Risk or Issue)	Status (23 Aug 2021) (High, Medium or Low)	Updated Status (29 Nov 2021) (High, Medium or Low)	Mitigation
Staff availability and team resource to engage with team members to progress with developing local road improvement strategies	Risk	Medium	Medium	Liaise with team members to ensure collaborative approach.

#### A8.7 Planned Activity in the next Reporting Period (1 January 22 – 31 March 22)










Activity	Target Date	Notes
Caithness & Sutherland	31 March 22	Further progress with current draft road improvement strategies.
Other Areas	31 March 22	Further work to be carried out to consider additional suitable locations for local road improvement strategies.
South Loch Ness Road Improvement Strategy	31 March 22	Existing strategy document is currently under review to update current status. This will be used as a template document to guide the other draft and emerging local road improvement strategies.

#### A8.8 School Transport Review

School Transport contract costs are increasing due to the economic impact of Covid-19 and forthcoming secondary legislation under the Transport (Scotland) Act 2019 is expected to increase the scope for in-house operation. An external review of our home to school transport system will assess the efficiency and effectiveness of it and recommend areas for change.



A8.9 Activity undertaken this Reporting Period (1 September 21 – 31 December 2021)

Activity	<b>Status</b> No significant progress Some Slippage On track Completed	<b>RAG</b>    	Notes
Submission of initial sections of report	Completed		Initial sections submitted to HC in draft format.
Report review process	On track		Further draft sections of report and technical notes submitted to HC, comments provided, project meetings held, and clarification of brief provided to ensure emphasis on primary elements of the brief to confirm compliance with legislation and identify key areas for operational savings.
Submission of final draft report and recommendations	Some Slippage		Summary report and recommendations received w/e 12 November. Full final report awaited at time of writing.
Adoption of report	On track		To be reported to E&I committee Dec 2021 – some recommendations for immediate action and some for further analysis.
School Transport retender process	On track		Split into phase 1 and phase 2 Phase 1 – tender September 2021 (large buses, Lochaber & Skye) – now in tender evaluation phase. Phase 2 – tender March 2022 (rest of Highlands) Sept 2021 to Dec 2022 - Retender process delayed by a year; 3 month (Lochaber & Skye) and 12-month contract extensions approved where achievable, by E&I Committee May 2022.  Impact of COVID and ongoing Scottish Government/Transport Scotland social distancing requirements impacting the ability of contactors to provide economically realistic tender prices for 5-year contracts. Options for longer contracts than 5 years have been invited (5, 7 and 10 year options) and some tenders

			received on that basis.
Review of options for securing savings	<b>Some Slippage</b>	●	Using advice from consultant, localised service reviews and mini tender options to identify efficiencies in 2021/22 and Q1-Q3 2022/23. Work within team on reviewing and updating contract specifications for retender is on track. Consultant's recommendations on alternative methods now received; application of them to specific routes to start w/c 15 November.
Report to E & I Committee	<b>On track</b>	●	As per Adoption of Report item above, to be reported to E&I Committee Dec 2021.

#### A8.10 Key Issues, Risks and Mitigation

<b>Description</b>	<b>Category (Risk or Issue)</b>	<b>Status (23 Aug 2021) (High, Medium or Low)</b>	<b>Updated Status (29 Nov 2021) (High, Medium or Low)</b>	<b>Mitigation</b>
Delivery of the financial elements of the project as a result of the on-going pressures on the public transport sector as a result of the pandemic	Risk	High	High	Very significant increases in tender prices received (Increases in fuel diesel and wages). No award for some contracts under DPS mini-competition and entering direct negotiation instead.
Timescale to Implement consultant's recommendations	Issue	N/A	Medium	No single solution – range of options with potential to reduce costs. Innovative approaches will require analysis, consultation, community involvement and new processes.  Further bid to Transformation Fund may be required to support delivery of this

				work.
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**A8.11 Planned Activity in the next Reporting Period (1 January 22 – 31 March 22)**

<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Selection of routes for innovative approaches applying consultant's recommendations	31 January 2022	
Revise and update Conditions of Contract	31 January 2022	Joint working with Procurement.
Complete specifications for retender, including alternatives	31 March 2022	

A9 **Appendix 9 - Procurement & Contracts Management**  
**Sponsor – ECO Resources & Finance; Peer – ECO Health & Social Care**

A9.1 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.

A9.2 **Activities Undertaken this reporting period (September 21 to December 21)**

Activity	Status <b>No significant progress</b> <b>Some Slippage</b> <b>On track</b> <b>Completed</b>	RAG <span style="color: red;">●</span> <span style="color: yellow;">●</span> <span style="color: green;">●</span> <span style="color: purple;">●</span>	Notes
Recruitment to vacant posts	<b>Completed</b>	<span style="color: purple;">●</span>	Completed during September 2021. 1fte Business Analyst has since resigned. The project board have reviewed and resource will be utilised from within existing teams.
Completion of project documentation and work plans	<b>On track</b>	<span style="color: green;">●</span>	
Critical appraisal and development of Procurement and Contract Management Roles & Responsibilities, including Roles Matrix	<b>On track</b>	<span style="color: green;">●</span>	Consultation with ECOs and key contract managers undertaken. Project Comms to be issued November
Engagement with stakeholders	<b>On track</b>	<span style="color: green;">●</span>	Following on from an informative seminar with ECOs, engagement with individual ECOs and contract managers is planned.
To ensure value for money, and in conjunction with contract managers/owners, detailed data analysis and review of contracts	<b>On track</b>	<span style="color: green;">●</span>	A significant and important activity which involves several stages. This activity initially involves interrogating the ledger and other data, and thereafter developing a robust Contracts Register in conjunction with Directorates. A review of governance arrangements is also planned.
Report to Corporate Resources Committee	<b>On track</b>	<span style="color: green;">●</span>	Next Corporate Resources Committee 24 November 2021.

A9.4 **Key Risks and Mitigation**

<b>Description</b>	<b>Category (Risk or Issue)</b>	<b>Status (23 Aug 21) (High, Medium or Low)</b>	<b>Updated Status (29 Nov 2021) (High, Medium or Low)</b>	<b>Mitigation</b>
Non-alignment of Procurement & Council Strategies	Risk	Medium	Medium	Should this occur, the identified risk will be considered within the context of the broader impacts for the Council and Shared Service. Issues will be resolved at Board level with escalation arrangements in place, if required.

A9.5 **Planned Activity in the next Reporting Period (1 January 22 – 31 March 22)**

<b>Activity</b>	<b>Target Date</b>	<b>Notes</b>
Consultation on Joint Procurement Strategy	25/03/2022	Joint Procurement Strategy (Shared Aberdeen City/Aberdeenshire) renewal required end 2022. Frame, draft, consult to be carried out in the next reporting period.
Procurement Activity Planning	05/04/2022	Engagement with ECO's/HOS/Contract Managers to plan procurement activity for financial year 2022-23.
Review of Governance and Guidance	14/04/2022	Work to commence on review of Contract Standing Orders, Approval routes for Procurement, Procurement Manual & Templates.
Contract Register (Options appraisal)	30/03/2022	Business case/Options appraisal developed for future Contract Register i.e., Develop in-house/Invest in system.
Contract Ownership Development	12/04/2022	Following pilot Contract Ownership toolkit, develop training materials for wider roll out across the organisation for key Strategic/Critical contracts.
Agree format of Procurement Compliance Reports	31/03/2022	Develop and consult on Procurement Compliance reports, refine following consultation with agreed format to be presented to ELT thereafter.