HIGHLAND COUNCIL

Committee: **Economy and Infrastructure**

Date: **25 August 2022**

Report Title: **Draft Directorate Service Plan 2022/23**

Report By: **Executive Chief Officer Infrastructure, Environment & Economy**

1   Purpose/Executive Summary

1.1   This report introduces the Infrastructure, Environment and Economy (IEE) draft Directorate Service Plan for 2022/23. The Plan sets out our Directorate priorities for 2022/23. Further development of the plan will be required during to take a longer-term view of strategic and operational priorities over the life of the new Council 2022/27. This follows local government elections in May 2022 and the need to reflect how the Directorate will contribute to the delivery of new corporate priorities to be set out in the new Council Programme and Corporate Plan which are currently under development. The draft Directorate Service Plan is set out in **Appendix 1**.

2   Recommendations

2.1   Members are invited to:-

   i.   **Comment** on the draft Directorate Service Plan for 2022/23; and
   ii.   **Note** that the draft plan will be subject to review following the approval of a new Council Programme and Corporate Plan and completion of development work outlined in section 5 of this report.

3   Implications

3.1   **Resource** – The Service Plan outlines the revenue budget associated with the Directorate, along with the high-level organisational structure. The Plan highlights how we are achieving Best Value and transforming the Directorate to achieve efficiency savings. The resources section on page 7 of the Plan provides a high-level summary of the budget for 2022/23.

The resources available take account of the core budget agreed at the Council meeting in March 2022, budgets are monitored and reported on quarterly. Any material change which will affect Service Plan delivery will be reported to future Committee meetings to enable informed decisions on any amendment required to be made.

3.2 **Legal** – Service Plans set out the planned objectives and measures which together form the framework for annual public performance reporting. The Directorate is responsible for Roads and Infrastructure, Planning, Environment and Low Carbon Transport and Economic Development and Regeneration.

3.3 **Community (Equality, Poverty, Rural and Island)** – Activities within the Plan are subject to screening for Equality Impact Assessment (EQIA). Screening will take place once the plan is finalised and the results have been passed to the Council's Equalities Officer as part of the corporate monitoring systems for Equalities Legislation. Screening will also consider any policy, strategy and plans linked to the delivery of the Service Plan and their impact.

3.4 **Climate Change / Carbon Clever –** The Performance and Governance Directorate is responsible for ensuring there is a strong corporate focus on delivering as a whole organisation against the Council's ambitious targets. This will require active collaboration across all the Council's Directorates and prioritisation to accelerate change, capitalising on the ability to make connections across multiple council projects and workstreams. This remit will continue to be driven through the Climate Change Committee.

3.5 **Risk** – Directorate risks are managed through the Corporate Risk Register and the Directorate Risk Register which are monitored quarterly. Risks are subject to ongoing review and changes will be reported to future Committee meetings and relevant corporate risks are also reported to the Executive Leadership Team (ELT) and to every Audit & Scrutiny Committee.

3.6 **Gaelic** – Once approved the Directorate Service Plan will have headings and sub-headings translated into Gaelic in keeping with Council policy.

4   Background

4.1   This draft Directorate Service Plan relates to the key functions, resources and strategic improvements for the Directorate. The Plan is structured around five key sections:-

1.   Vision;
2.   Strategic Priorities;
3.   Priorities, Improvement Actions and Measures;
4.   Resources – Directorate budget and staffing; and
5.   Service Risks

The focus of the draft plan is on improving Directorate performance and supporting the development of the new Council Programme and Corporate Plan. Following local government elections in May 2022 a new Council Programme and Corporate Plan are under development. The Service Plan will need to reflect how the Directorate will contribute to the delivery of the new Programme and Corporate Plan. Therefore, further review will be required to take account of longer-term strategic priorities over the life of the new Council 2022/27.

4.2   The Service Plan is an active document and once finalised will be subject to update and review on an annual basis and submitted to Committee for consideration. Any review will take account of internal and external influences and actions arising from monitoring activity throughout the year. Review and update will also take account of any future amendments to the Corporate Plan in subsequent years following its initial approval by Council.

4.3   The plan will be monitored on a quarterly basis and quarterly reports will be provided to Committee as part of an integrated finance and performance report allowing for ongoing scrutiny of delivery by Members.

5   Developing Directorate Service Plans for 2023/4 forward

5.1   In order to review the plan and update a number of other elements of review are also required by the end of March 2023 in order to submit an updated Plan to Committee by the first committee cycle of 2023/24:-

- **Performance Analysis - i**n order to drive continuous improvement, the Directorate needs to be aware of its KPIs and review them in the context of the annual budget process to support setting targets and improvement actions for the financial year or longer term where required. Financial monitoring is an element for every part of the Directorate and financial trends and outturns with will reported quarterly alongside performance data.

- **Business Intelligence (BI) -** Most the Council's KPIs are annual measures therefore it is important that Committee is sighted on more regular reporting on performance. On a quarterly basis Committee will be provided with the following business intelligence reflecting corporate requirement with further Service specific:-

  - Budget – in year and projected outturn of revenue budget;
  - Directorate staff sickness absence trends and targets (contribution to nationally benchmarked KPI);
  - Directorate Complaints;
  - Directorate FOI performance against targets;
  - Directorate invoice processing against target (contribution to nationally benchmarked KPI); and
  - Service specific BI.

- **Risk Analysis -** The Directorate's Management Team regularly reviews service delivery risks along with any Directorate owned or supported corporate risks. This is a continuous process and Committee will be informed of any significant change that might impact on the delivery of the Service Plan.

- **Best Value –** The Council operates in the context of Best Value which focused on the continuous improvement of the organisation and is subject to review by external audit annually. The Service Plan and monitoring reports are evidence in relation to the delivery of Best Value. The Council's most recent Best Value Assurance Report (BVAR) in January 2020 resulted in an improvement plan approved by Council in March 2020 and the Directorate has a responsibility to contribute to the delivery of the improvement plan until completed.

- **Inspections, Internal and External Audit Reports** - the Directorate will review reports and consider if any improvement actions identified require action and monitoring through the Service Plan and advise Committee accordingly.

- **Workforce Planning -** Improvements in performance will be delivered through having the right staff in the right place with the right skills through effective workforce planning including training and development, wellbeing support, performance management and appraisal, transition, sustainability, flexibility and redeployment. The Service Plan will contain any significant strategic improvement needed in order to deliver effective work force planning.

- **Staff Health, Safety & Wellbeing –** The plan should consider any action required to improve staff engagement, health, safety & wellbeing making use of staff survey results to identify areas of improvement.

- **Digital Transformation –** the Plan should consider the role of digital transformation in supporting Directorate improvement activity, identifying any strategic projects in the Service Plan working in partnership with ICT Services.

6 Equality and Community Impact Assessment, and Strategic Environmental Assessment

6.1 Committee should be aware that the Service Plan once finalised is subject to the following statutory processes:-

- Equality and Community Impact Assessment – the Plan will be assessed for potential impacts on communities and an Equalities Impact Assessment has also been completed. This helps us to achieve our duties in respect to the Public Sector Equality Duty, including socio-economic impacts at a strategic level, and a Council commitment to consider rural and poverty impacts. Assessments will be carried out for equality, rural and poverty impacts.

- <u>Strategic Environmental Assessment</u> - The Council has a legal duty to consider for all plans, programmes and strategies, the relevance of the Environmental Assessment (Scotland) Act 2005. A pre-screening assessment will be completed and submitted to the Scottish Government.

Designation: Executive Chief Officer Infrastructure, Environment & Economy

Date: 10 August 2022

Authors: Malcolm Macleod

Background Papers: Appendix 1 – Service Plan 2022/23

Infrastructure, Environment & Economy

Draft Directorate Service Plan (2022-2023)

Directorate Vision

- A **Prosperous** Highland – We will continue to support economic development through our established employability, Business Gateway and the development and regeneration activity we undertake. From the major City Region Deal, Levelling Up Fund, Shared Prosperity Fund Regional Economic Partnership and Inward Investment activity to smaller community and site-specific interventions, we will promote opportunities and attract funding wherever possible.
- A **Place- Based** Strategy for Highland – We will work with communities, partners and the private sector to prepare long term, sustainable strategies for development in Highland, with housing development at the core. We will seek to influence and steer decisions affecting national strategies and ensure the specific needs of Highland are recognised more widely.
- A **Net Zero** Highland – We will ensure that opportunities that contribute to the drive towards a Net Zero Carbon Highland are captured and implemented from large scale initiatives such as Scotwind and Opportunity Cromarty Firth to the ongoing developments of renewable energy and hydrogen schemes. Active Travel and Public and School transport improvements within the low carbon space will be critically important and we will work with public and private sector partners to achieve successful outcomes.
- A **Connected** Highland – With over 6,600 kms of roads to maintain, we will continue to deliver our service, looking wherever possible at innovation and redesign to ensure efficiency. We will continue to deliver new infrastructure, maintain our network of harbours, car parks and bridges and work with partners to ensure that the infrastructure challenges for Highland in terms of all modes of transport receive the recognition and investment they deserve.

Recognising the key challenges but also the fantastic opportunities that the region faces, we will deliver Highland solutions for our communities and businesses. Our ambition is to support Highland businesses to grow and develop the potential of our abundant natural resources and key sectors, achieving economic growth which will help revitalise our rural communities, towns and City.

Through our strategy, regulatory and development roles, we will ensure that the right developments are enabled in the right place and at the right time, led by a strong place-based strategy that reflects the aspirations and requirements of our communities. We will attract inward investment to projects and initiatives right across the area working closely with public and private sector partners. Community Wealth building will be key to this, building on the strong community and third sector activity in Highland, delivering local benefits from investment, capital spend and procurement activities.

Malcolm Macleod

Strategic Priorities

Deliver our Roads and Winter Maintenance duties, whilst redesigning the service to ensure continued efficiency.

Deliver key Infrastructure Schemes, including Uig Harbour, Caol and Lochyside Flood Scheme and the overall infrastructure capital programme on time and on budget

Continue to deliver priority developments to support the Highland economy, including Opportunity Cromarty Firth, the Highland City Region Deal, the Levelling Up Fund projects, all supported by place-based investment strategies

Work with partners and other Council Services to create and implement regional economic development strategies to support employability, inward investment and business growth

Work with partners to develop key transport infrastructure improvements across all modes of transport, including public and school transport, active travel, road, rail, ferry and air projects.

Ensure that Highland benefits from the opportunities presented by Scotwind by working with the public and private sectors on supply chain developments, training and employment and infrastructure developments related to low carbon and hydrogen projects

Continue to deliver housing development to meet the needs of communities and businesses across the region, with a focus on regeneration and reuse of properties.

Maintain and improve our strong reputation in ensuring Highland remains a great place to invest, by offering a positive and supportive approach to development opportunities across all sectors, meeting our performance targets and extending our value-added services

Directorate Improvement Actions and Measures

Priority	Improvement Action	How to Measure Success	Targets
Roads & Infrastructure			
Delivery of Capital Programme including road maintenance and road improvements including £20 million additional investment in roads for 21/22 and 22/23.	Develop and implement rolling programmes of capital funded roads and structures (bridges, culverts and walls) investment.	ENV4b - Road network - A Class	The target is the Scottish Average. Target = 29.80%
		ENV4c - Road network - B Class	The target is the Scottish Average. Target = 34.00%
		ENV4d - Road network - C Class	The target is the Scottish Average. Target = 33.60%
		ENV4e - Road Network - U Class	The target is the Scottish Average. Target = 38.30%
Planning, Environment & Low-Carbon Transport			
Provide planning and building standards service and support to ensure best outcomes for communities	Carry out essential audits to understand change in our communities and future investment priorities.	Audits to be completed by programmed dates.	Target = 3 audits completed by the end of the financial year 2022/23
Drive and support low-carbon transport projects and initiatives throughout Highland.	Develop overarching Transport Strategy and Secure Member Approval	Transport Strategy developed and secure member approval for vision and objectives on time.	Target = Transport Strategy completed by end financial year 2022/23
	Delivery of existing Active Travel infrastructure in line with associated programmes, funding and agreements.	Ensure quality of infrastructure to meet match funding requirements to draw in additional funding. Funding achieved on time.	Target = Infrastructure delivered within funding timescales for each funded intervention.

Priority	Improvement Action	How to Measure Success	Targets
Development & Regeneration			
Drive economic development throughout Highland.	Support delivery of Rural Tourism Infrastructure projects in line with 5 year Visitor Management Plan for Highland.	Tourism economic impact - £bn per calendar year. (Data includes both direct and indirect spend.)	Maintain 2017 performance. Target = £1.253bn
		Tourism visitor numbers	Maintain 2017 performance Target = 6,486,000
	Develop place-based approach to coordination of investment in our communities. Implementation of the Highland Economic Recovery Plan including housing investment and regeneration.	Number of homes built on average per year.	Target = 500 affordable homes per year.
Corporate Priorities			

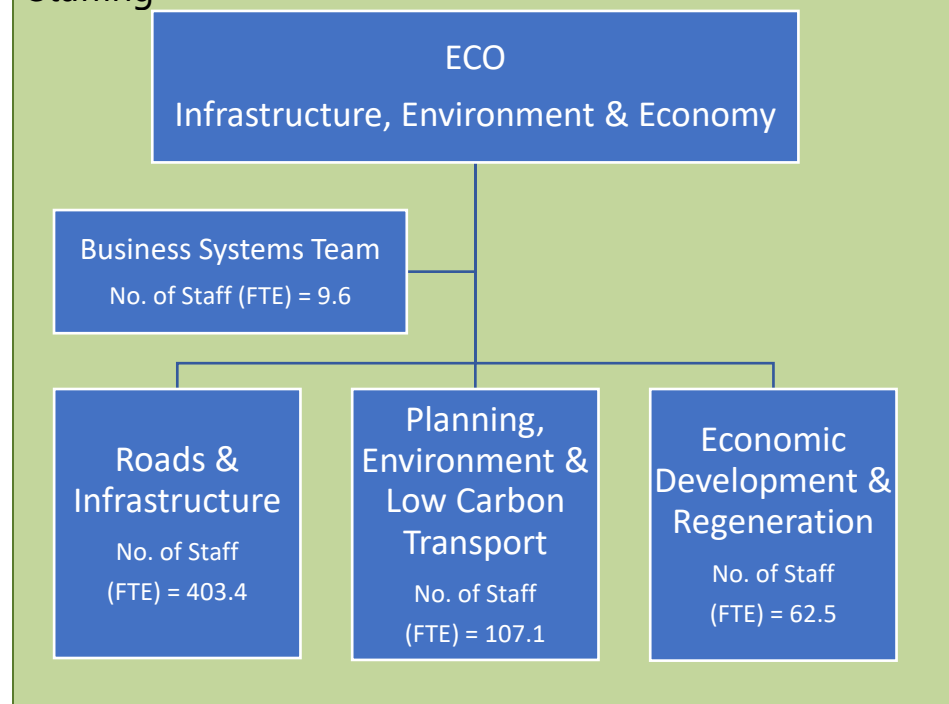| Priority	Improvement Action	How to Measure Success	Targets
	• Employee Development. • Support the Council's Change and Transformation Programme. • Support the delivery of the Council's Best Value Assurance Report (BVAR) Improvement Plan. • Support Improvement in the Council corporate indicators.	• % staff ERDs completed (annual). • Service Absence rate (Financial Quarter). • Service Complaints – responded to within 5 days (Financial Quarter). • Service Complaints - Investigation – responded to within 20 days (Financial Quarter). • Service FOI Legislative requirement (Financial Quarter). • Reduce staff travel costs (Annual).	• 90% • Below HC average. • 80% • 80% • 90% • >10%

Resources

Budget

Revenue Budget

Function	Budget (2021/22)
Directorate and Business Team	0.188m
Economic Development and Regeneration	0.602m
Infrastructure	(0.888)m
Planning & Environment	0.712m
Roads and Transport	32.828m

Capital Budget

Function	Budget (2021/22)
Infrastructure	35.743m
Roads & Bridges	22.926m

Staffing

ECO
Infrastructure, Environment & Economy

Business Systems Team
No. of Staff (FTE) = 9.6

Roads & Infrastructure
No. of Staff (FTE) = 403.4

Planning, Environment & Low Carbon Transport
No. of Staff (FTE) = 107.1

Economic Development & Regeneration
No. of Staff (FTE) = 62.5

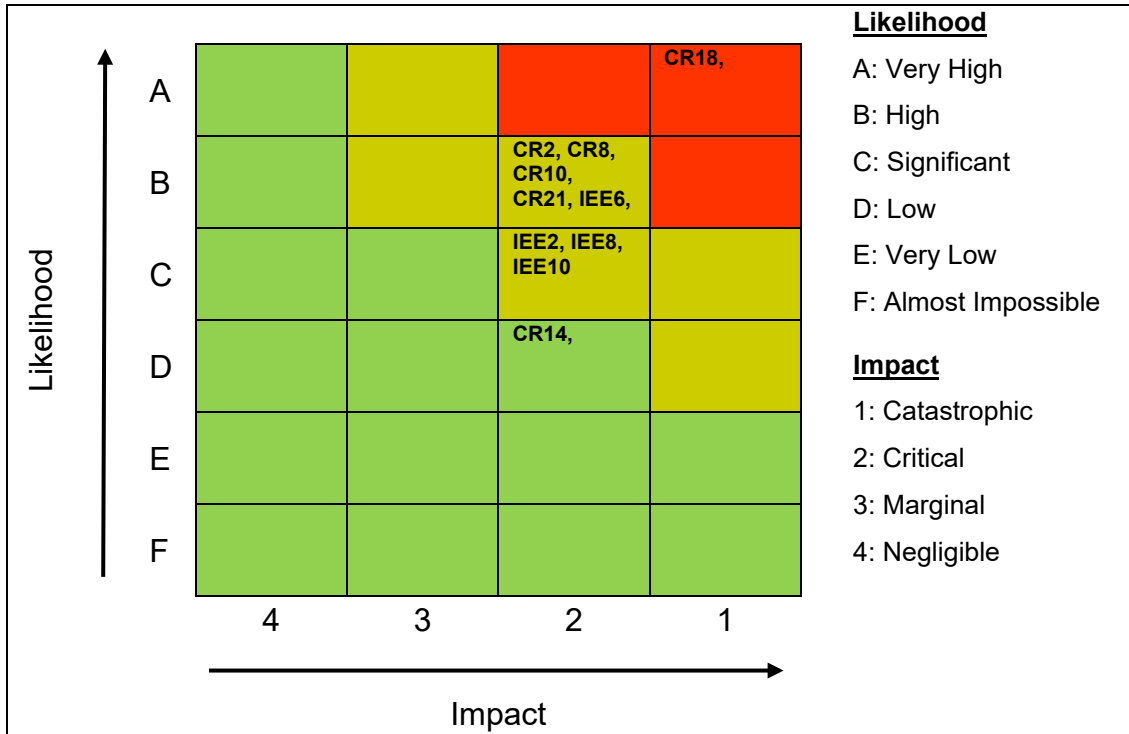## Other Resources

Bridges and Culverts: 2,227
No of Street Lanterns: 54,761
Length of carriageway: 6,766km
Length of Footway: 1,941km

Directorate Risk Register

Likelihood	4	3	2	1
A				CR18,
B			CR2, CR8, CR10, CR21, IEE6,	
C			IEE2, IEE8, IEE10	
D			CR14,	
E				
F				

Impact

Likelihood

A: Very High

B: High

C: Significant

D: Low

E: Very Low

F: Almost Impossible

Impact

1: Catastrophic

2: Critical

3: Marginal

4: Negligible

Risk No.	Risk Rating	Risk Name
CR2	B2	Security and Resilience – Cyber Security (Review and test Business continuity plans)
CR8	B2	Demographic Change (Workforce Plans, Economic Recovery Programme)
CR10	B2	Condition of our Roads
CR14	D2	Inverness and Highland City Region Deal
CR18	A1	COVID-19 (Operational continuity, Economic Recovery Strategy)
CR21	B2	Elections (Critical services)
IEE1	C2	Lack of resources to delivery programmes in recovered economic climate
IEE6	B2	Functional/structural failure resulting in loss of life or serious injury
IEE8	C2	Reduction in harbour income leading to unsustainable operation of harbours etc
IEE10	C2	Delivery of Council's 20mph Programme

The Performance and Risk Management System (PRMS) contains all identified Corporate and Directorate risks and is used to monitor mitigating actions quarterly.