The Highland Council

Committee: Corporate Resources

Date: 20 November 2025

Report Title: Delivery Plan Budget Monitoring & Progress Update – Corporate Solutions

Report By: Assistant Chief Executive - Corporate

1. Purpose/Executive Summary

1.1 The Delivery Plan 2024-27 consists of 57 projects/programmes, managed through 6 Portfolio Boards. Each project is reported to a relevant committee for consideration and scrutiny in terms of the Portfolio Reporting Cycle agreed at Council on 14 May 2025. Exceptions to this rule may apply when for example circumstances merit a standalone project/programme report to either committee or council. If exceptions apply this report will signpost to where the relevant reporting can be found.

1.2 This report provides financial, performance, risk and general information on the following Delivery Plan projects/Programme:
- Corporate Solutions – specifically the following projects
    - Systems & Process Innovation – Data Foundations
    - Systems & Process Innovation – Digital Foundations
    - Systems & Process Innovation – Efficiencies from Procurement
    - Organisational Development – Future Operating Model
    - Organisational Development – Hybrid Working
    - Organisational Development – 1% Efficiency Target

1.3 The content and structure of the report is intended to:
- assist Member scrutiny and performance management;
- inform decision making and aid continuous improvement; and
- provide transparency and accessibility.

2. Recommendations

2.1 Members are asked to:

    i. Consider and **note** progress on the projects covered in this report.

3. Implications

3.1 **Resource:** Where there are savings targets against projects, non-delivery will have an impact on the Council's budget strategy. Robust programme management and governance will ensure that action is taken to address this as projects progress.

Investments are being made in the delivery of the projects, either funded from Service revenue budgets or from earmarked reserves. Again, robust management will ensure best use of those resources.

3.2 **Legal:** This report contributes to the Council's statutory duties to report performance and secure best value in terms of; Section 1(1)(a) of the Local Government Act 1992, and Section 1 of the Local Government in Scotland Act 2003, respectively.

3.3 **Risk:** There are no additional risk implications arising as a direct result of this report. Project/Programme risks are identified via the council risk management process and monitored through the Portfolio Boards and are reported by exception only.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** There are no implications arising as a direct result of this report.

3.5 **Gaelic:** There are no implications arising as a direct result of this report.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring and update report and therefore an impact assessment is not required.

5. Data Foundations

5.1 Overall RAG

Data Foundations is overall ragged as amber as we finalise the roadmap for Phase 2 of Data Foundations.

5.1.1 The amber status relates to slippage in validating the proposals put forward by the project team for Phase 2 of Data Foundations. Based on our learnings and experience thus far, the proposals are being analysed to make best use of technology to help deliver a data platform including analytics and business intelligence across a number of Services.

5.1.2 The expected benefits from the implementation of these projects are easier access to the data to support effective decision making and to assist with deployment of council resources in the most effective way possible. In addition, by significantly reducing the time required to create bespoke reports, efficiencies will be realisable and can support

the Council's aim for financial sustainability and provide opportunities to reinvest efforts on other initiatives.

5.2   Key Milestones and Requests for Change

Data Foundations has a range of milestones with progress shown below. There are 3 at amber and each is discussed in more detail at 5.2.2.

5.2.1

MILESTONES		CURRENT STATUS
Starts Oct 24 / Completes Jan 25	Data Foundations Milestone 01: Project team fully-resourced	M12 24/25 Completed
Starts Jul 24 / Completes Nov 24	Data Foundations Milestone 02: CBIR discovery carried out	M8 24/25 Completed
Starts Feb 25 / Completes Sept 25	Data Foundations Milestone 03: Golden record established	M7 25/26 Some Slippage
Starts Sept 25 / Completes Dec 25	Data Foundations Milestone 04: Final DG Policy approved by Resources Committee	M7 25/26 Some Slippage
Starts Jul 25 / Completes Mar 26	Data Foundations Milestone 05: First Dashboard published	M7 25/26 Some Slippage
Starts Nov 25 / Completes Jun 26	Data Foundations Milestone 06: Permanent data team established	
Starts Sep 26 / Completes Nov 26 TBC	Data Foundations Milestone 07: Project End	

5.2.2   **M03 - Golden Record Established:**

Status remains as "Some Slippage" as this milestone was envisioned as completing end of September 2025. A proof of concept was completed earlier in year where we created an exemplar Golden Record. This involved matching datasets across Council Tax, Service Centre and Housing, evidencing the proof of our methodology.

Based on our learning from the first phase of Data Foundations, a revised roadmap and proposal for Data Foundation is currently being finalised where we will focus on property data, at which point this milestone will be re-baselined, likely to focus on a golden record for property. This proposal will be presented to Corporate Management (chaired by the Chief Executive) in November at which point this milestone will be reviewed.

M04 – Final Data Governance Policy Approved by Corporate Resources Committee:
A draft of the Data Governance Policy has already been presented to the Information Governance Board (IGB) and has received initial officer governance approval. This policy will be presented to the Corporate Resources Committee in March 26. This slippage will have minimal impact on project delivery as the working assumption is to follow the principles set out in the policy prior to formal approval.

M05 – First Dashboard Published:
This milestone has moved from "No Significant Progress" to "Some Slippage." The rationale for this is that a revised proposal has been completed and will be considered at Corporate Management Team as reported at the update at "M03" above. If approved, the intended implementation date remains March 26.

5.3   Financial Summary

    i.   **Savings**: There are no savings targets attached to Data Foundations.

    ii.   **Investment:** Of the approved £637,000 approved from earmarked reserves over the 3-year period envisioned for Data Foundations, a budget of £577,678 remains.

    iii. **Mitigations:** Ongoing monitoring of budget via agreed reporting and any requests for further investment to be managed via formal to appropriate governance.

5.4   Key Risks

Data Foundations Risk: Failure to Sustain Business Commitment	9	**Treat**
Data Foundations Risk: Insufficient Resource	4	**Tolerate**
Data Foundations Risk: Failure to Secure Data for MDM System	12	**Treat**

5.5   Forward Plan

The key activities for the next 2 quarters (2025-26 Q3 and Q4) are as follows:

1. Proposal for Phase 2 of Data Foundations is ratified by Council Management.
2. Data Warehouse Configuration complete.
3. First Dashboard published based on Service feedback and requirements.
4. Stewardship and Data Governance in place for key datasets.
5. Final Data Governance Policy presented to Resources Committee.

6.   Digital Foundations

6.1   The Digital Foundations Project aims to deliver the core enablers of the Highland Council's Digital Strategy (2022–27), supporting the Council to become a digitally mature organisation by 2027. This includes establishing a team of Digital Business Partners, a Digital Centre of Excellence, supporting Services in the creation of robust business cases for any new operational requirements and expanding digital access and skills.

6.2   Overall RAG

Project: Digital Foundations

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Digital Foundations is overall ragged green as of Q2 2025/26, and the rationale for the RAG status is below:

- The project remains on track and within budget, maintaining a Green RAG status.
- Engagement during Digital Week was strong, with 403 of our staff and Members participating in online and in-person sessions, and a further 204 engaging with related articles. This level of involvement highlights a growing recognition that digital is a shared responsibility across the organisation, with support from a dedicated team of Digital Business Partners.
- The Digital Maturity Assessment survey (DMA), our primary tool for tracking progress, has been extended to the end of October to maximise participation and ensure robust data.
- While one of our Digital Business Partners has moved on to a new role, recruitment is underway. Should the first round not yield a successful candidate, there may be an impact on some milestones, as the Project Manager has taken on additional responsibilities. This risk is being closely monitored.
- For the remainder of the project, the focus will be on analysing DMA results, completing the end-of-project review, and collaborating with People Development to ensure mandatory digital training reaches staff in harder-to-reach groups.

6.3   Key Milestones and Requests for Change

There are no requests for change. Please see milestone descriptions and updates below.

6.3.1

MILESTONES		CURRENT STATUS
Starts Apr24 / Completes Sep24	Digital Foundations Milestone: Creation of Digital team	M6 24/25 Completed
Starts Apr24 / Completes Dec24	Digital Foundations Milestone: Digital and Data Skills Support Network Established	M11 24/25 Completed
Starts Apr24 / Completes Dec24	Digital Foundations Milestone: Digital Centre of Excellence, Improvement Hub and Network launched	M11 24/25 Completed
Starts Mar 25 / Completes Jun 25	Digital Foundations Milestone: Frontline Worker Enablement: Discovery	M3 25/26 Completed
Starts Mar 25 / Completes Jul 26	Digital Foundations Milestone: Digital Foundations: Capturing Data	M7 25/26 On Target
Starts Jun 25 / Completes Jun 26	Digital Foundations Milestone: Engage Process Adoption and Best Practice	M7 25/26 Completed
Starts Sep 25 / Completes Mar 26	Digital Foundations Milestone: End of project review	M7 25/26 On Target
Starts Jul 25 / Completes Dec 25	Digital Foundations Milestone: Extending Digital Access Phase 1	M7 25/26 On Target
Starts Jan 26 / Completes May 26	Digital Foundations Milestone: Extending Digital Access Phase 2	
Starts Jun 26 / Completes Jul 26	Digital Foundations Milestone: Extending Digital Access Phase 3 (review)	
TBA	Digital Foundations Milestone: Digital Strategy Refresh	

6.3.2 **Milestones in Delivery**

Digital Foundations Capturing Data

The project team has developed a structured approach to monitor time spent across the six core workstreams: Digital Centre of Excellence, Digital Workforce, Digital Communications, ICT New Operational Requirements, Operational Planning, and Open Innovation. This time-tracking data is collected monthly, alongside engagement metrics from Digital Bites and the number of individuals supported with digital skills—whether through one-to-one sessions or group settings.

A portion of this data is reported monthly through PRMS, ensuring ongoing visibility of progress and impact. The remaining insights will be incorporated into the end-of-project review, providing a comprehensive overview of achievements and areas for future focus.

This milestone will run until the project closes.

6.3.3 **End of Project Review**

Digital Week (September 2025) was created by the project team as a strategic call to action, designed to:

1. Elevate the importance of the DMA.
2. Engage Leaders, Members, and staff in reflecting on the Council's digital progress.
3. Empower individuals on their digital journey.
4. Exchange best practices to inspire innovation.

Each day of the week was themed around one of the core pillars of the DMA, which is conducted by the Digital Office for Scottish Local Government. Insights gathered from the DMA, along with data collected throughout the project's duration, will inform the end-of-project review. These findings will be incorporated into the closure report, which will include recommendations for future action and be submitted for committee approval.

6.3.4 **Extending Digital Access: Phase 1**

Extending Digital Access refers to enabling access for staff who have generally not been provided with council IT or user accounts before. There are approximately 3,800 staff who are not provided with IT user accounts as a standard part of their role. All of them are provided with the ability to access certain systems, such as online pay slips, via their own digital devices.

The initial focus will be on enabling access for training purposes with a view to extend that for other areas in due course. It will tie in with other projects such as the digitisation of job cards for manual staff. A collaborative workshop between People Development and the Digital Foundations team is scheduled for early November. This meeting will incorporate findings from recent engagement with Waste Management, along with insights and personas developed through the HR & Payroll Project.

Together in the workshop, we'll work through the following questions to help shape our next steps:

1. What do we mean by mandatory training, should it be the same for everyone?
2. What support do People Development require from the Digital Foundations team to ensure harder to reach staff groups complete mandatory training?
3. What approach will the pilot take to deliver the best insights: on site, off-site at another Council location, using own devices, using People Development training devices?

Once the pilot approach is confirmed, we will engage with Union representatives to seek their input and guidance.

There is an opportunity to co-ordinate the extension of digital access with the Future Operating Model project, looking at how Points of Delivery can provide spaces for staff, and the public, to benefit from digital connectivity.

6.4   Financial Summary

   i.   **Savings:** there are no savings targets attached to Digital Foundations.

   ii. **Investment:** the total investment in the project is £355,000 split over 2024/25; 2025/26; 2026/27. The spend to date is £182,379; £172,621 of the total budget remains.

   iii. **Mitigations:** the project budget will be monitored closely and if further investment should be required, it will be managed through appropriate governance.

6.5   Key Risks

KEY RISKS ASSESSED	CURRENT RISK RATING	RESPONSE
Digital Foundations: Digital and Data Skills Support Network: meeting user needs	2	Tolerate
Digital Foundations: Increase in Highland Council's Digital Maturity Score	2	Tolerate
Digital Foundations: Extending Digital Access - navigating change	2	Tolerate

6.6   Forward Plan

The key activities for the next 2 quarters (2025-26 Q3 and Q4) are as follows:

Quarter 3 2025/26:
The project team will focus on extending access to mandatory training, working closely with People Development to support harder-to-reach staff groups. The DMA results will also be received during this period and will be used to inform the closure report. Additionally, work will begin to launch the Digital Champions initiative, aimed at strengthening peer-to-peer support and embedding digital confidence across the workforce.

Quarter 4 2025/26:
The project will begin preparing for closure. This will include finalising the end-of-project review, consolidating data and findings from across the project. The closure report will incorporate DMA results, engagement data, and recommendations for sustaining support for digital beyond the project lifecycle.

7. Efficiencies from Procurement

7.1   Overall RAG

Project: Efficiencies from Procurement	R ●
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Positive progress is being made towards these targets and opportunities identified to exceed the savings target. However, there remains risk and lag which may impact the conversion from opportunity into realised savings in 2025/26, i.e. some of the opportunities identified might only deliver a part year effect in 2025/26 and/or may relate to contracts or contractual changes which will only take effect in the latter part of this financial year.

7.2   Key Milestones and Requests for Change

Starts Apr 24 / Completes Jun 25	Efficiencies from Procurement Milestone: Consolidate stores product ranges & review core pricing	**M6 25/26 Completed**
Starts Apr24 / Completes Dec24	Efficiencies from Procurement Milestone: Develop corporate process to flag contract end-dates	**M4 24/25 Completed**
Starts Apr 25 / Completes Mar 26	Efficiencies from Procurement Milestone: Conclude review of inflation challenges/budget pressures	**M6 25/26 On Target**
Starts Apr 24 / Completes Mar 25	Efficiencies from Procurement Milestone: Update Delegated Procurement Authority training	**M7 24/25 Completed**
Starts Apr 25 / Completes Jun 25	Efficiencies from Procurement Milestone: Review and update annual procurement workplan	**M6 25/26 Completed**
Starts Apr25 / Completes Jun25	Efficiencies from Procurement Milestone: Corporate process to identify/report off contract spend	**M6 25/26 Some Slippage**
Starts Apr 25 / Completes Sept 25	Efficiencies from Procurement Milestone: Mandate core list items and report on exceptions	**M6 25/26 Some Slippage**

7.3   Financial Summary

　　　i.   Savings

Although the target of £1.693m is not currently forecasted to be fully achieved in 25/26, the level of savings delivered in-year have exceeded prior year achievements. There remain a clear focus and activity in relation to developing and progressing a pipeline of opportunities to deliver further savings. Of the target, £0.748m has been realised to date with a further pipeline of identified opportunities totalling £1.299m, against which a risk-based adjustment has been applied

recognising the some opportunities may only deliver a part-year effect in 2025/26, and hence the current prudent assumption on forecast year end level of delivery as below. Officers are focused on the conversion of identified opportunities into realised savings and to seek opportunities to increase the level of forecast delivery in year.

£⚠	Efficiency from Procurement: saving opportunities - FY 24-28	£ 1,361,000

ii. Investment – no additional investment associated with this project.

iii. Mitigations – as reflected in the forward plan section below, actions are being progressed to address slippage and progress the pipeline of projects.

7.4   Key Risks

KEY RISKS ASSESSED	CURRENT RISK RATING	RESPONSE
Efficiencies from Procurement: Lack of service engagement in procurement and procurement savings activity	9	Treat
Efficiencies from Procurement: Inflation and the price of goods and services	9	Tolerate

7.5   Forward Plan

Work continues on developing the pipeline of additional saving opportunities from procurement, these including contract savings from renegotiated terms with suppliers contracted to all 3 Councils in the shared service, consolidation of suppliers and product lines, and further gainshare/rebate opportunities. The Council is also in ongoing discussion with Scotland Excel (SXL) and considering any further opportunities that may be available from their input and extending the Council's use of SXL national framework contracts.

8.   Future Operating Model (FOM)

8.1   Overall RAG

Project: Future Operating Model

R ○
A ○
G ●
C ○

FOM is overall ragged as green as of Q2 2025/26. More detailed information can be found in the 30th October report to full Council, available on the Highland Council's website: Highland Council | The Highland Council. Council agreed all the recommendations in the report.

8.2   Key Milestones and Requests for Change

Starts Mar 24 / Completes Mar 24	Future Operating Model: Revised CMT structure approved at Council	**M1 24/25 Completed**
Starts Apr 24 / Completes Apr 24	Future Operating Model: Project Team Established	**M9 24/25 Completed**
Starts Apr 24 / Completes May 24	Future Operating Model: Project Plan in Place	**M9 24/25 Completed**
Starts Apr 24 / Completes Jun 24	Future Operating Model: Cross Service Engagement Commences	**M8 24/25 Completed**
Starts Apr 24/ Completes Dec 25	Future Operating Model: Rollout of Demonstrator Project Pilots	**M6 25/26 On Target**

8.2.1   Phase 1 of the FOM is complete, with engagement and research carried out to inform pilot projects. A Programme Manager has been appointed, reporting to the CO, Facilities and Fleet Management.

8.3   <u>Financial Summary</u>

i.   **Savings:** A forecasted savings of **£415,000** for 2025/26 and separate savings of **£100,000 and £320,000** for 2026/27 are associated with the FOM. Confirmation and reporting of actual savings will be provided in the subsequent financial update.

£	Future Operating Model: Total Project Savings	**£ 415,000**

ii. **Investment:** A total recurring investment of **£500,000** has been approved (on 6 March 2025) for the FOM. More detailed information on the investment can be found in the 30 October report to full Council, available on the Highland Council's website: [Highland Council | The Highland Council](#).

£	Future Operating Model: Investment FY 24-26: EMR	£ 205,000
£	Future Operating Model: Investment FY 25 : Recurring Budget	£ 500,000

iii. **Mitigations**: the project budget will be monitored closely and if further investment should be required, it will be managed through appropriate governance.

8.4   Key Risks

KEY RISKS ASSESSED	CURRENT RISK RATING	RESPONSE
Future Operating Model: Lack of Stakeholder Engagement	12	Treat
Future Operating Model: Asset_Reconfiguration_Dependencies	9	Treat

8.5   Forward Plan

The next steps were outlined in the report to Council on 30 October 2005. These include:

➢ Resources
  • Finalise job descriptions (for the remaining posts in the team)
  • Recruit teams
➢ Communications and Engagement
  • Engagement with Elected Members
  • Engagement with staff in pilot projects
  • Engagement with partners and external organisations
  • Case studies and good news stories for 'quick wins' to maintain momentum
➢ Programme and Project Planning
➢ Progress collaborative, operational and asset-based pilot projects.

9.   Hybrid Working

9.1   Overall RAG

Project: Hybrid Working

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C ○

9.2   The Hybrid Working project is amber due to the delay in establishing the hybrid working baseline data. This is due to the complexity of establishing the survey and resource limitation in terms of staff time. The Project is now leading on carrying out the required survey to establish a baseline data for three separate purposes, including Net Zero, Use of Assets & Hybrid Working. To move to green, the project will provide an update in November to Corporate Management including finalising the next steps for obtaining this data.

9.3   Key Milestones and Requests for Change

Starts Apr 24 / Completes May 24	Hybrid Working: baseline established	M6 25/26 Some Slippage
Starts Apr 24 / Completes Jun 24	Hybrid Working: Process established	M3 25/26 Completed
Starts Apr 24 / Completes Jun 24	Hybrid Working: Strengthened training and HR policies	M8 24/25 Completed

9.4   Financial Summary

There are no Investment or Savings targets associated with Hybrid Working for Q2 2025/26.

9.5   Key Risks

An additional risk is being considered regarding the resource to carry out the survey collection & analysis.

Hybrid Working: Resourcing the delivery of the Hybrid Working Model	2	Tolerate
Hybrid Working: Disconnect with Customer Experience	1	Tolerate
Hybrid Working: Failure to support staff due to inconsistencies	2	Tolerate

9.6   Forward Plan

As detailed at section 9.2.

10.   1% Efficiency Target

10.1   Overall RAG

Project: 1% Efficiency Target

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G ●
C ○

10.2   A 1% saving phased over three financial years will be applied across Council budgets. The saving is not in respect of devolved education budgets, Adult Social Care or High Life Highland.

The key project elements are:
• Budget savings allocated across relevant service budgets
• Services implement efficiency measures and cost reduction plans to achieve target
• Ongoing tracking of saving delivery as part of regular budget monitoring.

10.3   Key Milestones and Requests for Change

Starts Apr 24 / Completes Apr 24	1% Efficiency Target: Saving allocated to service budgets	**M7 24/25 Completed**
Starts Apr 24 / Completes June 24	1% Efficiency Target: Specific reduction measures implemented by services	**M8 24/25 Completed**
Starts Apr 24 / Completes Mar 27	1% Efficiency Target: ongoing monitoring of savings delivery	**M6 25/26 On Target**

10.4   Financial Summary

£⚠	1% Efficiency Target: Savings - FY 24-27	**£ 985,000**

10.5   Key Risks

There is ongoing tracking of saving delivery as part of regular budget monitoring. The Corporate Finance team, working with budget holders, will ensure on an annual basis the saving is taken from the respective line-level service budgets.

10.6   Forward Plan

No specific points to highlight given necessary steps are taken at the start of each financial year.

Designation: Assistant Chief Executive - Corporate

Date: 31 October 2025

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