

The Highland Council

Finance Housing and Resources Committee
28th August 2013

Agenda Item	22
Report No	FHR/107/13

Corporate Improvement Programme

Report by Assistant Chief Executive

Summary

The Corporate Improvement Programme (CIP) projects have started and are progressing well with a target to achieve a further £5.98m in efficiency savings having been set for the period 2013/14 & 2014/15. Some slippage is reported for two projects, and the report highlights the mitigating actions being taken to ensure these projects and related savings are delivered on target.

1	INTRODUCTION									
	This report provides an update on the progress of the CIP. The present and future programmes are managed as a set of interrelated projects by Project Managers from the Corporate Improvement Programme team working with Project Managers from Housing and Property and Finance. In turn they report to the Programme Board which is chaired by the Chief Executive and includes all members of the Senior Management Team, with sponsorship of individual projects being the responsibility of members of the Senior Management Team.									
2	PROGRESS MONITORING									
	The major focus of the CIP is the delivery of the cashable efficiencies and development of a Target Operating model which will introduce improved ways of working across the council: <ul style="list-style-type: none"> • Reducing the amount of owned/ leased buildings and the cost of maintaining the remainder. • Effectively reducing the effort involved in serving customers, managing information and transactional activity in the back office • Securing contracts at less cost and increasing income. • Modernising the council and how we interact with customers 									
3	CURRENT PROGRAMME STATUS									
	For the projects described below, a status is shown in the following table against the Red, Amber, and Green (RAG) convention. <table border="1" data-bbox="363 1892 1334 2047"> <thead> <tr> <th>Project</th> <th>Deliverable RAG Status</th> <th>Savings RAG Status</th> </tr> </thead> <tbody> <tr> <td>Asset Management</td> <td>Green</td> <td>Amber</td> </tr> <tr> <td>Business Support</td> <td>Amber</td> <td>Amber</td> </tr> </tbody> </table>	Project	Deliverable RAG Status	Savings RAG Status	Asset Management	Green	Amber	Business Support	Amber	Amber
Project	Deliverable RAG Status	Savings RAG Status								
Asset Management	Green	Amber								
Business Support	Amber	Amber								

	Customer Contact Transformation	Amber	Green
	Income Generation	Green	Green
	Integrated Transport Provision	Green	Green
	Mobile & Flexible Working	Green	Green
	Managing Information	Green	Green
	Procurement	Green	Green
	A brief synopsis of progress of each project is included in the sections below.		
4	ASSET MANAGEMENT		
	<p>Kingussie Office Rationalisation</p> <p>After a delayed start the Kingussie Office Rationalisation Project is now making good progress. Make-safe works are complete, a Service Level Agreement has been agreed with the Police to co-occupy space in the new Courthouse and building survey results have concluded, allowing the project to move forward. Extensive consultations with the services, conservation experts and other relevant stakeholders have resulted in the design being agreed and technical drawings are now being prepared for the planning application.</p> <p>The next steps are to proceed with the necessary land purchase; successfully complete the planning application process and to dispose of the two vacated properties ring-fenced for this project (Ruthven Road and 100 High Street, Kingussie). The Service is anticipating expenditure on this project in the current financial year of £0.412m, made up of a combination of professional fees, enablement works and land purchase costs.</p>		
	<p>Church Street</p> <p>The property rationalisation at 21 – 23 Church Street is complete. 235 staff have been relocated (either within their existing office or to another office). This work has been completed on target and the projected savings for the project will be £220,000pa. from 2014-15.</p>		
	<p>Inverness & Dingwall Office Rationalisation</p> <p>The overarching review of the governance structure has been agreed (July13). Work is being undertaken by CIP, Asset Management and ICT to clarify the non-financial benefits of an office transformation project to the Council and staff which is due to report during Autumn 2013. This will inform the development of a full business case for which resources and timescales are to be agreed by the Project Board.</p>		
	<p>Dingwall Office Review</p> <p>A feasibility study is currently being undertaken as part of the overarching Inverness and Dingwall Office Review to evaluate the suitability of office accommodation in the Dingwall area and also to engage with other public sector partners to explore the extent to which collocation opportunities exist and specifically understand further what impact proposed shared service initiatives may have on the overall need for office space. The feasibility study report will be presented, for consideration, to the Asset Management Project Board and the Corporate Improvement Programme Board in September.</p>		

	<p>Fort William Continued progress is being made on the Fort William Office Review (including consultation with local Area Service Managers, Team Leaders, local Members and Ward Manager, SMT and a trade union briefing). A report, recommending a preferred option, is anticipated to be brought to a future FHR Committee later this year.</p>
	<p>Skye Office accommodation across Skye is to be reviewed during 2014 in light of the pending lease expiry date for Broadford Service Point and the proposed refurbishment of Elgin Hostel (from existing office space back into a school hostel facility) in Portree.</p>
	<p>Strategic Area Property Reviews (SAPR) The draft Area Asset Management Plans and Area Disposal Plans for Lochaber and Skye are being developed and the final plans will be brought to the Asset Management Project Board during Autumn 2013 after consultation with local Service Managers, local Members and Service Management Teams.</p> <p>The draft Area Asset Management Plan and Area Disposal Plan for Inverness is in development with a target date for circulation for review/comment by December 2013. The final plans will be brought to the Asset Management Project Board during Q1-2014 after consultation with local Service Managers, local Members and Service Management Teams.</p> <p>The Area Disposals Plan for surplus properties in Caithness is being regularly reviewed and updated and will be presented to local Members at their Ward Business Meeting.</p>
5	BUSINESS SUPPORT
	<p>The Project is at Amber status (some slippage) due to delays in the development and testing of ResourceLink (HR/Payroll System), resulting in a requirement to revise the Project Plan and the approach to completing the Project. A revised Plan has been drafted with User Acceptance Testing (UAT) scheduled to complete by beginning December 2013, and go-live to be phased in starting from January 2014.</p>
	<p>Personnel Admin/ResourceLink Work is continuing and progress is being made (e.g. ResourceLink System Test completed), though in response to projected delays to the Project, and risk of increased costs, it has been agreed to change the approach and how this is resourced. The balance of the remaining project budget is to be used to bring in specialist support, under the direct control of the council. This change provides a more effective and less expensive approach to the remainder of the project. The full implementation of the system will reduce the effort needed and time consumed in managing the routine elements of personnel administration and enable further business support savings to be released.</p>
	<p>On-Line Recruitment Go-live for the National Recruitment portal (the ability to apply for and manage the</p>

	<p>recruitment process electronically) commenced from January 2013, with ECS (Schools) the final Service to go live by end October 2013. This work provides the ability to realise benefits in respect of reduced staff effort in processing hard copy applications, re-keying new starter information and an improved experience for job applicants. From a total of 5888 applications received since January 2013, whilst paper applications are still accepted, 95% of all applications have been made online.</p>
	<p>Purchasing & Financial Transactions This work is expected to both improve the speed at which invoices are settled and reduce the manual processing of hard copy documents. Work is progressing to test and implement improved processes for requesting goods and services, and the payment of the same, including extending the amount of electronic invoices (e-invoices) coming into the Council. Six companies, who in the last financial year submitted 14,000 hard copy invoices, are currently being targeted by Highland Council for automated e-invoicing.</p>
	<p>School Support The Project is designed to improve processes and make best use of resource in delivering school business support. To progress this work, two fixed term posts (Project Manager and Project Support) have been recruited to, with the Project Manager starting in post July 2013. The initial activity will be to establish the project, putting in place a plan that will focus effort over the coming months to progress the required work.</p>
6	CUSTOMER CONTACT TRANSFORMATION
	<p>The Project is at Amber status (some slippage). The project team for the process redesign has recently been affected by a number of resignations, which left the project resources at 40% of the planned resource. In addition the resources that are available are relatively new and not yet at full operational effectiveness. This issue is currently being addressed by recruitment action and an exception plan is being prepared to get the project back on track.</p>
	<p>Customer Migration After a successful implementation of an appointment system for Planning & Development and moving general enquiries to the Service Centre/Service Points, the project is now working with TECS Services and specifically Environmental Health. The model successfully implemented with Planning & Development fits closely with (EH) with regards to their current set up and their plans for how they would like the unit to operate. The Project and the Service Centre team have worked closely with Environmental Health to migrate both EH Drummie and Golspie offices as a pilot on July 17th. Progress is being monitored and It is anticipated that the other area offices will follow by end of August. Work is also underway to identify the next service area for migration.</p>
	<p>Web Content Management The council's Web Content Management System (WCMS) will not be supported by Microsoft from April 2014 meaning that there is risk of the current website failing beyond that point. Work is in progress to deliver a new website on a new platform to</p>

	<p>mitigate that risk, the target is April 2014. In sourcing a new WCMS and delivering a redesigned website there is an opportunity to develop the website as a true customer contact channel by making the site more customer friendly, information more accessible and provide more online services. A number of other councils have been contacted to discuss the overall approach to utilising the web and market research meetings have taken place with potential suppliers. The project is now moving into procurement stage and it is anticipated that this will be completed by end of September. Beyond that one of the key challenges given the timescale will be to cleanse and transfer the large volume of content on the current site content to ensure that a new website will be customer focused and that the information provided is based upon customer demand.</p>
	<p>Process Redesign</p> <p>Environmental Health Licences and Trading Standard licences were implemented on 12th July with the exception of Apply for an Export Certificate which will roll over to the next phase. This means these services are now available on-line and improvements have been made to how we deal with customers. The project team are working with Services to ensure that new working practices are as efficient as possible and that customer service is maintained or improved.</p> <p>Work has also commenced on Civic Government licences and Liquor licences. The project team are currently in discussion with the Service regarding the introduction of online forms for licence applications in order to ensure a smooth transition that encourages customers to use self-service options.</p>
7	INCOME GENERATION
	<p>The Income Generation strand continues to progress well, with the current focus on Advertising & Sponsorship through the partnership with Scottish Provincial Press and identifying and developing new income opportunities. Recent activity has included, amongst other things:</p> <ul style="list-style-type: none"> • Continued development of future advertising and sponsorship opportunities which includes the sponsorship of Inverness based events, advertising in Service Points and Recycling Centres. • Advertising continues to be secured, and renewed, for employee payslips, roundabouts, lamp post banners and the Highland Council web site. Advertising opportunities at Rose Street Car Park have also been taken up for the first time by Eden Court. Income to the Council through the advertising and sponsorship partnership is £13,300 (April to the end July 2013). • The wind turbine business model continues with the assessment of previously identified sites and work to identify further potential turbine sites is to be carried out.
8	INTEGRATED TRANSPORT PROVISION
	<p>This is a pilot project, set in Lochaber, seeking to test whether a co-operative approach to examining and providing transport solutions for health and social care needs and for social inclusion purposes can be developed in the Highlands. It will seek</p>

	<p>to make best use of existing transport resources by building a greater understanding of the travel need expressed by individuals, communities and health and social care practitioners, and of the capabilities of the various transport providers in Lochaber and availability of their vehicles. This availability will vary over time based on what bookings each vehicle’s host organisation has lined up through their core business activity.</p> <p>Through developing the relationship and maintaining communications with transport providers Lochaber Transport Advice and Bookings Service LTABS will be able to build knowledge of what capacity exists and to factor this into consideration of transport solutions. By being a central source of knowledge the ATABS can provide accurate information and solutions, and take the effort away from individuals, community representative groups and health and social care practitioners.</p>
	<p>The four project partners are: Highland Council; Highlands and Islands Transport Partnership (HITRANS); NHS Highland; and Scottish Ambulance Service. HITRANS has committed funding of £25k and the other partners are currently investigating the extent to which they can contribute to the pilot, either through direct funding or in-kind support. The extent and cost of the project can be varied to suit the available funding; however, as a minimum it is proposed that the pilot be set up for a 12-month period and the base costs are estimated to be in the region of £75k-£100k.</p>
9	MOBILE & FLEXIBLE WORKING (MFW)
	<p>The Project continues to work with services to develop service specific implementation plans that will help to ensure that the work goes beyond the life of this Project. These plans are being monitored with the HR Business Partners for each Service. The Project has now completed its participation in the latest Management Development Plan Programme (MDP7) which allowed the Project to raise awareness amongst managers of the potential benefits from a more agile approach to working and to demonstrate some of the ICT technology that can enable this. Outputs from these sessions will also be fed into individual Service MFW Implementation Plans.</p>
	<p>The MFW One Stop Shop intranet site, which provides managers and employees with information and guidance on a range of matters relating to mobile and flexible working, has been updated to reflect progress in the project.</p>
	<p>The project carried out an online survey during June to gauge how staff, who regularly commute over the Kessock Bridge, may have changed their work pattern during the resurfacing works. A report is currently being written on the survey findings.</p>
	<p>Under the Innovation Agenda the project is looking at mobile solutions, similar to that used for housing and property repairs, and to see how practical mobile solutions aimed at reducing costs can be implemented across the council. The project is currently taking steps to engage with services to determine the level of opportunities for this type of technology and preparing a report for the Programme Board in September.</p>

10	PROCUREMENT
	<p>Procurement Review</p> <p>There are three operational strands to the review: supplier selection/use of PQQs, Contract Award and Evaluation, and Aggregation and Lotting. These were gathered into the overall review and reported to SMT at the end of June 2013</p>
	<p>There are two strategic strands to the review, Procurement Infrastructure and Alternative ways of working. These were facilitated by Scotland Excel. Conclusions were reported to the Procurement Board which assessed them and drew together the single SMT report referred to above.</p>
	<p>A number of options have been considered and a developmental approach is being taken forward. A bid for funding to carry forward 14 initial actions aimed at dealing with questions raised by the review and contributing towards the council's commitment of a 5% increase with local SMEs and other local businesses, will be presented to the Programme Board in September and then to FHR Committee. Savings targets for the current financial year have been met and SMT have agreed a target of £500K for 2014/15.</p>
11	MANAGING INFORMATION
	<p>The Managing Information Project will make significant progress towards effectiveness and efficiency in the management of document and records. This will be achieved through the implementation of key areas of the Information Management Strategy. The Project is working with Services, Asset Management and the Mobile and Flexible Working Project to prioritise areas of focus.</p>
	<p>An Information Management toolkit is currently being developed, which includes an intranet web portal to improve accessibility to guidance and information in relation to the management of documents/records. The toolkit will also provide teams with guidance and step by step templates that can be used by teams to apply improved information management in their workplace. Staff will also have access to training material and packages.</p>
	<p>Alongside the deliverables, the project is also undertaking a two year programme of work, focussing on priority areas to deliver significant business change to the management of information. A key objective is to make the improvements outlined by the Information Commissioners Office audit and the subsequent action plan. The priority areas for this programme of work, is being assessed with services and officers. Areas where there is significant risk to the Council around security or personal data will be prioritised and the project will work with teams to make improvements to the management of information. This will be achieved by applying policy, making best use of technology and through working with teams and individuals to change working practices.</p>
12	SAVINGS
	<p>The next two years have core targets of £5.98 m to be delivered. Progress against the</p>

targets will be reported each quarter.

	13/14	14/15	Total £m
Agreed Budget Targets	£3.63m	£2.35m	£5.98m
On target	Green	Green	Green

The overall savings are shown as green as these have either been achieved or fully allocated to services. In the case of Business Support the full saving for 2013/14 has been allocated to the Finance Service. However the Service is forecasting a delay in delivering savings of £463,000 which is largely attributable to a delay in the ResourceLink project. The Service is confident that the balance of savings will be delivered by 2014/15, therefore the overall CIP programme is shown as “on target”.

13 RISK

As part of the governance arrangements each project maintains a risk and issue log that is reviewed monthly to ensure that remedial or preventative action is being taken where the project may be affected. Similarly a programme risk and issue log is maintained for programme level governance. Maintaining these registers enables the prioritisation of risk based on severity and likelihood and putting in place the necessary mitigating actions.

The highest priority risks or issues currently are:

Risk/Issue	Action
<u>Lack of progress on ResourceLink</u> Whilst work is continuing and progress is being made (e.g. ResourceLink System Test completed), delays have been projected along with a risk of increased costs	A revised Plan has been drafted, and a change to the project approach and how this is resourced has been agreed. The balance of the remaining Project budget is to be used to bring in specialist support, under the direct control of the Council. This change provides a more effective and less expensive (lower financial risk) approach to the remainder of the project.
<u>School Support</u> This project has stalled at an early point with an absence of dedicated project support	Recruitment has been completed for two fixed term posts (Project Manager and Project Support), and the Project Manager started in post July 2013. The initial activity will be to establish the Project, putting in place a plan that will focus effort over the coming months to progress the required work

14 RESOURCE IMPLICATIONS

There are no additional resource implications arising from this report

15	EQUALITIES AND CLIMATE CHANGE
	There are no implications for equalities or climate change as a result of this report
16	RECOMMENDATION
	Members are asked to note the good progress with the delivery of the Corporate Improvement Programme and the mitigating actions being taken to ensure the Programme and savings are delivered on target.

Designation: Assistant Chief Executive

Date: 16 August 2013

Author: Matt Bailey, Project Manager