

The Highland Council

Finance, Housing and Resources Committee 26 February 2014

Agenda Item	23
Report No	FHR/45/14

Corporate Improvement Programme

Report by Depute Chief Executive

Summary

The Corporate Improvement Programme (CIP) is progressing well with a target to achieve £5.98m in efficiency savings for the period 2013/14 and 2014/15. In addition, the process for identifying the next programme of work is underway.

1 INTRODUCTION

- 1.1 This report provides an update on the progress of the CIP. The programme is managed as a set of interrelated projects by Project Managers from the Corporate Improvement Programme team, working with Project Managers from Housing & 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

- 2.1 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 including:
- 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
 - Reducing the amount of owned/leased buildings and the cost of maintaining the remainder

3 CURRENT PROGRAMME STATUS

- 3.1 The overall savings targets for the programme are shown below. These were agreed at the beginning of the programme and monitored monthly. The project status table at 3.2 shows the projects and, for each of these, the progress against the plan and the progress against savings. The next two years have core targets of £5.98m to be delivered. Progress against the targets will be reported to Elected Members each quarter.

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

3.2

Project	Deliverable RAG Status	Savings RAG Status
Asset Management	Green	Green
Business Support	Amber	Amber
Customer Contact Transformation	Amber	Green
Income Generation	Green	Amber
Integrated Transport Provision	Amber	Green
Mobile & Flexible Working	Green	Green
Managing Information	Amber	Green
Procurement	Green	Green

A brief synopsis of progress of each project is included in sections 4–11 below.

4 ASSET MANAGEMENT

4.1 Dingwall Office Review

Briefing sessions have been delivered to in-scope Services, Partners and Members and the Project team have been working closely with Lead Service Contacts and Line Managers to progress the office accommodation project.

Opportunities to incorporate flexible working practices will be integrated into the redesigned office accommodation. The Managing Information Project team are supporting staff to identify opportunities to improve the way their information is managed, to reduce paper holdings and to ensure information and records are managed in line with Highland Council policies and best practice. A detailed programme will be produced for staff currently located in the Council Office in Dingwall regarding rewiring works which are planned to commence during March/April 2014. The Dingwall office changes will be supported by the Unified Communication Project referred to elsewhere in the agenda.

4.2 Fort William

The recommendations of the review of the Council's offices in the centre of Fort William were considered at the Finance, Housing and Resources Committee on 27 November 2013. Members agreed the preferred option which will result in the co-location of the Council's main administrative offices, democratic services, Service Point and Registration Offices to a regenerated conversion of the Council-owned, listed former Fort William Secondary School site on Achintore Road. The next phase will see the development of detailed proposals required to achieve the preferred option with local Members and staff.

4.3 Inverness

Work was undertaken by CIP, Asset Management and ICT to clarify the non-financial benefits of an office transformation project to the Council and staff. These included introducing new ways of working, providing increased choices for customers and staff and supporting the Council's Carbon Clever agenda. Governance for an Inverness rationalisation initiative is under discussion. There will be a separate report to committee later in the year.

5 BUSINESS SUPPORT

5.1 Project Status

The overall status of the Business Support Project Plan is Amber to reflect the previous delays to both the Personnel Administration and School Support Work. Phase 1 for ResourceLink and SharePoint (Establishment, Recruitment and Contract Management) is scheduled to go live on 3 March 2014. For School Support, a timeline is to be put to the March 2014 Business Support Project Board, scheduling key decision dates, and when there will be a clear position on how savings will be realised.

5.2 Personnel Administration/ResourceLink

Work is continuing and good progress is being made, e.g. new processes designed and in the process of being tested, ResourceLink set up and user access levels being finalised, and SharePoint forms and workflow being developed and tested. Following successful completion of User Acceptance Testing (UAT), it is planned that Phase 1 go-live will start from March 2014.

The full implementation of the system will reduce the effort needed and time consumed in managing the routine elements of personnel administration. Self Service is a key principle within these changes allowing members of staff the ability to update and access their own information online and therefore reducing effort in Business Support.

5.3 Purchasing & Financial Transactions (PFT)

The work is aimed at delivering improved processes for requesting and paying for goods and services. No real progress has been made since the last update due to limited SharePoint resources being directed to complete Personnel Administration work (see above). In addition, account is being taken of the potential impact of the Finance System Replacement. Activity will be picked up in June.

5.4 School Support

The Project is designed to improve processes and make best use of resources in delivering school business support. The Business Support Project Board has approved the Project Initiation Document (PID), which includes the objective of delivering the full savings target of £353k by end 2014/15. In line with this objective, a plan is to be put to the March 2014 Business Support Project Board, scheduling key decision dates, when the analysis will provide an understanding of the potential for reduced effort, and when there will be a clear position on how savings will be realised.

6 CUSTOMER CONTACT TRANSFORMATION

6.1 Project Status

The status of the Project is Amber due to two issues. Firstly, it has been established that the current online forms solution no longer meets the Council's business requirements. Secondly, the installation of integration software procured in November 2013 has been delayed. Both of these issues have been discussed at Project Board and an exception plan is in place to address them.

6.2 Process Redesign

Since the beginning of the Project, thirty processes have had online forms built which are now available on the Council's website. During the next few months the team will be working with colleagues in Housing & Property and Finance to review processes and create online access in order to provide an easier and more streamlined approach for customers to apply and be assessed for entitlements. All processes will also have face-to-face and telephone contact simplified as part of the review.

6.3 Integration

Installation of the integration software is scheduled for 26 February 2014. Following this, staff will receive specialist training on 4 and 5 March and begin to incorporate integration as part of the ongoing process redesign work. This tool will remove the requirement for manual re-keying of information from one computer system to another.

6.4 Web

The Project to deliver the Council's new website is now in the latter stages of implementation, with the launch expected in April or early May. The key pieces of work that the Project will focus on over the next few months are design and transfer of content from the old to the new site which are outlined below. The new website will focus on delivery of services allowing customers to apply, report and request information on a range of Council services.

6.5 Design

The new website represents an opportunity to serve the Council's customers more effectively whilst reducing operational costs. The founding principle on which the design is based is that the website is for the customer. The Project has worked to identify how that customer focus can be achieved and this work has included establishing best practice and customer engagement. The proposed design is currently going through its second iteration with Members, accessibility groups and stakeholders across the Council engaged in the process. It is anticipated that this stage of the Project will be completed by mid-March

6.6 Content Transfer

The quality of the content for the new website will be critical if the Project is to create a website that our customers find accessible and want to use. The Project has been and will continue to work closely with Services over the next couple of months to review the 500 pages of content of the current site and develop content for the new site.

6.7 Ongoing Development

Whilst we will see significant improvements when the new site is launched, it is important that this is seen as the start rather than the completion of the web development work. The proposals for the ongoing management and development of the website are set out in the Customer Services Review elsewhere on the agenda.

7 INCOME GENERATION PROJECT

7.1 The Project's current focus is on advertising and sponsorship through the partnership with Scottish Provincial Press and identifying and developing new income opportunities in renewable energy generation. Following a request from the Committee for further information on the Council's advertising and sponsorship activities, Appendix 1 is included within this report giving further breakdown on the income generated to-date. Generally, since the last report, there has been new business and renewals for web and banner advertising and roundabout sponsorship.

7.2 Recent activity has also included:

- Continuation of the exercise to look at charge rates for services so that comparisons may be made with other councils, which may highlight further income generation opportunities
- Under the wind turbine business models, the grid connection feasibility studies carried out by Scottish and Southern Energy (SSE) for all sites have now been received. There are grid capacity issues with most of the sites and they are therefore being assessed for smaller turbines to see if the sites are still viable. Work is also continuing on identifying further potential turbine sites. Additionally the Project is looking at other possibilities for renewables generation, including biomass, solar and methane

8 INTEGRATED TRANSPORT PROVISION

8.1 Although the status is Amber, this will turn to Green as the Scottish Government has awarded funding to the Project to establish its central initiative, the Lochaber Transport Advice and Bookings Service (the Hub), which will be operated during the action learning (pilot) project by Voluntary Action Lochaber. There will be a set-up period lasting up to three months and then a 12-month operational phase. Should the Project prove there is a sustainable model for co-ordinating transport need and supply then an additional tendering phase will come into play to consider suitable longer-term provision of Hub services across the Highlands.

8.2 The essence of the Project is a trial sharing of Project Partner transport resources, in conjunction with the involvement of commercial and community transport providers within the trial area of Lochaber. This is to improve services to users, with the ultimate goal of establishing a fully integrated provision covering the needs of health and social care and social inclusion.

9 MOBILE & FLEXIBLE WORKING (MFW)

9.1 Each Service has a Mobile and Flexible Working Plan in place and the Project continues to work with Human Resources representatives to progress and update these plans. A key action from the Finance Service Plan has been the completion of a staff MFW survey to gauge the appetite for working more flexibly. Initial analysis of the survey has now been completed and presented to the Finance Service Management Team. The Chief Executive Service is also considering this approach which may in-turn be adopted by all Services.

9.2 With the commencement of the second phase of the Kessock Bridge works on 10 February 2014, the Project has worked with Public Relations to produce an intranet communication providing advice on how to minimise disruption to Services through employing flexible working practices.

9.3 The Project is directly involved in the Dingwall Rationalisation Programme so that the most is made of the opportunity to incorporate flexible working practices into the redesigned office accommodation in the Dingwall area. Following the occupancy surveys carried out in October/November, further analysis and re-assessment of the work style for each employee based on the survey results has now been completed for all buildings within scope. During January and February, meetings have taken place with team managers to review the survey results and work styles re-assessment. Following these meetings, all team managers are to confirm work styles to the Project by 14 February 2014.

10 PROCUREMENT

10.1 There are three operational strands to the review: supplier selection/use of PQQs; Contract Award and Evaluation; and Aggregation and Lotting. Work is progressing on all three work streams, and short life cross-Service working groups have been convened to discuss lessons learned so far and propose corporately agreed recommendations and proposals for implementing them. The Project Analyst post was interviewed on 30 January 2014, and the Project Manager post was re-advertised on 28 January due to a very poor response to the first advert.

11 MANAGING INFORMATION

11.1 Managing Information

The Managing Information Project will make significant progress towards effectiveness and efficiency in the management of documents and records in the Highland Council. This will be achieved through the implementation of key areas of the Information Management Strategy.

The Project is currently Amber due to corporate storage solutions for both physical and electronic storage not being in place. Although it has been agreed to use SharePoint as the Council's Electronic Document and Records Management System (EDRMS,) further work needs to be undertaken to assess the resources required to deliver this to the organisation. A development plan is currently being produced.

Similarly, work is being undertaken with colleagues in ICT and Records Management to develop an appropriate long term strategy around the management of physical records. Specifically, there is an immediate need to identify a Records Store in Dingwall. The Director of Education, Culture & Sport is currently working with HLH colleagues to locate an appropriate store.

11.2 Information Management (IM) Toolkit

An IM toolkit has been developed, which includes an intranet web portal to improve accessibility to guidance and information in relation to the management of documents and records. The toolkit includes guidance and step-by-step templates which can be used by teams to apply improved

information management in their workplace. Staff will also have access to training material and packages.

11.3 Information Management Workshops

Workshop sessions have been arranged with Service teams to support managers and their staff to make best use of the IM Toolkit to meet the needs of the business and customers. The workshops will also facilitate discussions about how staff can be better supported around document management.

11.4 Supporting Teams – Office Rationalisation

The Managing Information Project and Records Management Service are also working with staff in scope of the Dingwall Office Rationalisation Project. The team is supporting staff to identify opportunities to improve the way information is managed, to reduce paper holdings where appropriate and to ensure information and records are managed in line with Highland Council policies and best practice.

12 RISKS

- 12.1** 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.

13 FUTURE PROGRAMME DEVELOPMENTS

- 13.1** CIP 2 is a programme of work scheduled to finish 31 March 2015, both CIP 1 and CIP2 have delivered significant cashable efficiencies and changed working practices to modernise the Council and, in particular, how we do business with the customers. There is a need to find further opportunities to meet the efficiency targets post-2014/15.
- 13.2** The Senior Management Team are currently discussing the longer term budget planning process for 2015/16 and beyond, and the Corporate Improvement Programme will be part of the set of initiatives to deliver savings. The ideas for projects have been extensively researched by the CIP team. Research into opportunities has started and a long list of projects has been identified. This list was created through ideas generated internally and through research into other organisations in the public private and third sector throughout the UK. The projects recommended for further development will be reported to Council in March.
- 13.3** Whatever the opportunities to be developed, it is assumed that the programme will have the following attributes:
- Be transformational and deliver step change
 - Be cross-Service in nature
 - Be aligned with the corporate aims and target operating model
 - Be concerned with efficiency and effectiveness
 - Be properly governed
 - Have a focus on the pace of delivery

- Be led by the executive management team

14 RESOURCE IMPLICATIONS

- 14.1** There are no additional resource implications arising from this report with respect to the current programme, the future programme will be assessed for resource need at the detailed planning stage

15 EQUALITIES AND CLIMATE CHANGE

- 15.1** There are no implications for equalities or climate change as a result of this report with respect to the current programme, a new programme will be subject to an equality impact assessment

16 RECOMMENDATION

- 16.1** 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
- NOTE the development of a new Programme
- AGREE that a workshop be organised for Elected Members to discuss income generation ideas as set out in Appendix 1

Designation: Depute Chief Executive Chief Executive

Date: 12 February 2014

Author: John Robertson, Programme Manager

Corporate Improvement Programme Report to Finance, Housing and Revenue Committee (26 February 2014) – Income Generation Update

1. Background

Following the Corporate Improvement Programme Report at FHR Committee on 27 November 2013, Members requested a review of the opportunities around advertising and sponsorship under the Income Generation Project.

2. Purpose

This report sets out the approach taken by Highland Council, including areas of work, targets, how work is governed and future opportunities that may produce income. Additionally the report includes information on income generated through renewable energy technologies. Income forecast from these two areas til the end of this financial year is as follows:

	<u>Income since FY 2012/13</u>
Advertising and Sponsorship	£81k
Renewable Energy	£298k

Breakdowns for these figures are included in Annex 1.

3. Advertising and Sponsorship

The Council works with its external partner Scottish Provincial Press to maximise the benefit from its advertising and sponsorship assets. Their role is to promote the advertising opportunities and enable the Council to benefit from their local knowledge, experience and contacts to secure bookings for sponsorship and advertising. They are incentivised by the 40% share of the income they receive, after costs, and therefore charge a rate that they consider the local market will stand. Not all opportunities are taken up, e.g. vacant roundabouts, and feedback from SPP is that sometimes potential advertisers/sponsors feel that the rate is too high.

The partnership is working well, with SPP also providing valuable input to the development of new opportunities. They report on a monthly basis to the Income Generation Project Board on both income generated and on new opportunities.

4. Renewables Technologies

Income to-date has derived mainly from the Renewable Heat Incentive (biomass installations) and Feed In Tariff (solar installations). The Project is working with the Energy and Sustainability Team under the Wind Business Model to evaluate a number of potential wind turbine installations located on landfill sites. Additionally the Project is looking at other possibilities for renewables generation including biomass, solar and methane.

The Project will continue to work with the Energy Team to identify and evaluate future renewables technologies income opportunities.

5. Income Generation Workshop

The Project wishes to propose to Members that it organises a workshop on Income Generation. This would involve Member participation and its objectives

would be to review the current activities and, most importantly, identify new ideas for generating income.

6 Learning From Others

The Project Manager recently attended a 'Public Sector Revenue Generation' seminar. One of the speakers was the Commercial Manager from Glasgow City Council who gave a presentation on their Commercial Strategy. A meeting with the Commercial Manager has since taken place to find out more on their approach to developing this strategy and the lessons they have learned. GCC will be providing Highland Council with a copy of their Strategy in the near future once it has been updated.

The Council is also a member of the Cross-Council Revenue Generating Group which is hosted by the online forum Knowledge Hub.

7 Current Opportunities Being Developed/Explored

Advertising and sponsorship (estimated date of income generation where known)

- Bus shelter advertising (April 14)
- Recycling centre sponsorship (March 14)
- Advertising on ferry tickets/receipts and in terminals (May 14)
- Building wrap advertising/sponsorship
- Sponsorship of Carbon Clever initiatives
- Advertising within ResourceLink (to replace paper payslips) (July 14)

Renewables

- Wind turbines at various locations (Late 2014)
- Generation of electricity using methane gas flume (Sept 14)
- Solar (PV) electricity generation

Further sites for wind turbines are currently being identified

8 Conclusion

On advertising and sponsorship, the Highland Council's approach is consistent with other councils, and the Project will continue to identify further viable opportunities within the constraints of the market, advertising policy and approval of the Administration. Some of the latest advertising opportunities, having been established, will hopefully attract a higher level of income in the future.

Members are asked to support the proposal to hold an Income Generation workshop to review current activities and produce further ideas on increasing income generation which can be explored further.

ANNEX 1

Appendix to Corporate Improvement Programme Report to the Finance, Housing and Revenue Committee (26/02/14) – Income Generation Update					
Annex 1.					
Income Generation Project - Income Figures					
Advertising and Sponsorship	SPP Forecast 2012/13	Actual 2012/13	SPP Forecast 2013/14	Actual + Guaranteed 2013/14	Total Income 2012/13 & 13/14
Roundabouts	20,000	21,310	24,383	26,401	
Web site	6,000	4,331	3,960	4,390	
Lamp post banners	4,000	401	2,880	4,199	
Ranger Service	3,000	0	1,950	0	
Payslips	4,000	3,979	8,460	8,968	
Ranger Guide	3,000	2,340	2,700	2,661	
Other	1,800	0	1,410	2,037	
	41,800	32,361	45,743	48,656	81,017
Note: a further approx £7k per annum costs need to be deducted for roundabout maintenance and payslip copy production					
Renewable Energy	Target 2012/13	Actual 2012/13	Target 2013/14	To end 12/2013	
Renewable Heat Incentive ^{1.}	100,000	77,360	144,000	144,000	
Feed-in Tariff	24,000	76,770			298,130
1. Further Renewable Heat Incentive income expected in 2013/14 but is attributed to the Asset Management Project going forward.					