

The Highland Council

**Resources Committee
26 November 2014**

Agenda Item	19a
Report No	RES/73 /14

Corporate Improvement Programme

Report by Depute Chief Executive/Director of Corporate Development

Summary

The Corporate Improvement Programme (CIP) is progressing with a target to achieve £5.98m in efficiency savings for the period 2013/14 & 2014/15. In addition, the process for aligning the next programme of work with the corporate budget setting process 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 Team working with Project Managers from Development and Infrastructure and Finance. In turn, they report to the Programme Board which is chaired by the Chief Executive and includes all members of the Executive Leadership Team, with sponsorship of individual projects being the responsibility of members of either the Senior Leadership Team (SLT) or the Executive Leadership Team (ELT).

2 Progress Monitoring

2.1 The major focus of the CIP is the delivery of 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 and Progress

3.1 The table below summarises progress against deliverables and savings. Further detail on the projects that are on amber is shown in following sections. Overall progress against savings is good, however for the 2 year period of the programme there is a known shortfall in savings of circa £350k against the Schools Support elements of the business support project and £100k against the Customer Service Review element of the Customer Contact Transformation project. In addition, a further £250k is at risk. This figure cannot be finalised as there are five months remaining

on the current programme and remedial efforts may yet reduce this amount. These figures are also referenced in the Corporate Monitoring Statement. The reasons for shortfall are dealt with in subsequent sections.

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

	13/14	14/15	Total £m
Agreed Budget Targets	£3.00 m	£2.981 m	£5.98m
Predicted final position	£5.28 m		

4 Progress for Work Streams within the Programme

4.1 At the last Resources Committee the Programme Manager (CIP) was asked to provide more detail in the change of status against the projects within the programme. As an addition to this report a summary table on progress of each project has been included. These tables also show the status for the previous period and a short commentary of the reasons for change. In addition to the information on the status of the projects within the programme, an update of the relevant developments or issues within each is shown.

5 Asset Management

5.1 Status

5.1.1 Purpose	Asset Management has as its objective a reduction in the number of properties the Council owns and/or leases ensuring as full an occupation of remaining properties as possible. It relies on improved working practices from the Mobile and Flexible Working and Managing Information projects. This includes the work in Dingwall, Fort William and Wick.	
Target Savings	£478 k	
Achieved Savings	£492 k	
Deliverables	Current	Previous
	Green	Green
Savings	Green	Green

Comment	Savings have been exceeded. Where good practice is identified within one project or location the intention is to use and develop this in subsequent areas.
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5.2 Update

5.2.1 The Dingwall Office Rationalisation project continues to work with staff to reduce the Council's office estate from 9 to 5 properties in Dingwall. The majority of staff have now been relocated with the remaining staff due to relocate during early November. The project is scheduled for completion by the end of December 2014 and will save revenue costs in excess of £129,000 per annum and aims to realise capital receipts of £825,000.

5.2.2 The Fort William Project Team has been assembled to allow delivery of the new main administrative offices within the former Secondary School on Achintore Road in Fort William. Meetings have been held with Transport Scotland and Historic Scotland to ascertain essential requirements and a range of surveys has been undertaken to ensure that provision is fit for purpose. Detailed design work will carry on over the next 3-4 months. Initial staff briefings have been held which attracted around 40% of affected staff, with Trade Unions and local Members also being invited to participate.

6 **Business Support**

6.1 Status

6.1.1

Purpose	Business Support has as its objective to increase the standardisation and efficiency of "back office" or support processes to deliver the support the organisation needs at less cost.	
Target Savings	£683 k	
Achieved savings	£ 330 k	
Deliverables	Current	Previous
Savings	Amber	Amber
Comment	The largest part of predicted short fall for the BS Project concerns School Business Support. It is known that the £ 350 k savings will not be delivered in this financial year. There is no practical recovery action to achieve this so the shortfall will need to be rolled into next year's targets.	

6.2 Update

6.2.1 The new Personnel Admin Processes have been successfully running in live for 4 months since 1 July 2014, providing improved and more efficient processes. The second phase of this work is continuing (this phase includes online payslips and online expenses). There is a pilot in progress with the

Finance Service to check that the new processes are effective.

- 6.2.2 The school support element of this the project is designed to improve processes and make best use of resources in delivering School Business Support. Ardnamurchan and Charleston have been selected as the trial areas for new ways of working. Primary head teachers, clerical staff and Trade Unions have been briefed. The Ardnamurchan trial is in progress, with Charleston scheduled to commence from November 2014.

7 Customer Contact Transformation

7.1 Project Status

7.1.1

Purpose	Customer Contact aims to modernise service delivery and give an increasing number of customers the opportunity to transact online with the Council. It also seeks to increase the efficiency of customer facing processes and increase customer satisfaction. There is a target of all viable services being available online by April 2017 and 40% of transactions being carried out on-line by April 2017.	
Target Savings	£ 155 k	
Achieved savings	£ 0 k	
Deliverables	Current	Previous
	Amber	Amber
Savings	Amber	Amber
Comment	The significant shortfall in savings status is due mainly to the delays to the customer service review, with a target to save £100k, and to a lesser degree the delays in delivering technology to support process change (£55k). The technology issues have been escalated and are close to being resolved.	

7.2 Update

- 7.2.1 The project team are currently working on two groups of services; Finance and Entitlements and Housing. By redesigning these a better service can be provided to customers and a reduction of the effort involved can be achieved. The team are engaged in re-writing all current online forms using the new software solution and this will further increase the usefulness of the website.

- 7.2.2 The project is also engaged in development of the customer account portal in liaison with the Improvement Service – this, together with online forms, will provide an easy and secure access to services for customers. This development will be linked to the Scottish Government mygovscot website and myaccount login. The target date implementation for myaccount login is 28 November.

7.2.3 The project includes a number of initiatives to develop and encourage use of online services and customer communication, supporting the new website and ongoing service redesign. Initiatives include the use of email, SMS text and social media to communicate with customers, the move to digital services and forms as standard (including the introduction of digital champions), the development of digital branding, and support for customers to use our digital services.

8 Income Generation Project

8.1 Project Status

8.1.1

Purpose	The project aims to deliver income to the Council predominantly in the form of : <ul style="list-style-type: none"> • Advertising and sponsorship • Increased charges • Income available via renewables projects 	
Target Savings	£ 1.118 k	
Achieved savings	£ 0.981 k	
Deliverables	Current	Previous
	Green	Green
Savings	Amber	Amber
Comment	Although aspects of the project such as advertising are on target this year, the project is unlikely to meet its overall target. Steps have been taken to appoint a Commercial Manager who will be responsible for developing a programme of work that will in future address this shortfall and increase the Council's ability to generate income. A separate update report on the Income Generation Project has been also submitted. Please see Agenda Item 18(b).	

9. Managing Information

9.1 Project Status

9.1.1

Purpose	The project aims to reduce both paper and electronic storage within the organisation, increase accessibility to information and the time taken to retrieve it and to ensure compliance with the relevant requirements around information and records management.
Target Savings	Formally there are no savings targets against managing information, however there is a significant contribution within this project to the Asset Management Programme.
Achieved savings	

	Current	Previous
Deliverables	Green	Green
Savings	Green	Green
Comment	Consideration is being made to adopting a savings target for managing information in future years. This is in recognition of the level of process efficiency that is becoming apparent against the time taken to retrieve records and information. Further measurement is required before the level of target (if any) can be set.	

9.2 Update

- 9.2.1 The records management policy framework, guidance, support materials and corporate retention schedules are now in place. Work is underway to introduce corporate satellite record stores in appropriate areas, making best use of existing storage space and to enable the release of space for alternative use where appropriate. These stores will be supported by a local retrieval service managed through a central records management portal. The new delivery model has already been piloted in Wick and will be fully implemented in Dingwall over the coming weeks. As well as enabling office rationalisation, improvements to the way records are handled will increase compliance and meet the requirements of Information Commissioner's Office and the Public Records (Scotland) Act 2011.
- 9.2.2 The project is also rolling out SharePoint 2010 to support more effective management of information and records in the Council. The project is currently recruiting an additional five Graduate Posts to support the rollout to teams across Services.
- 9.2.3 The work undertaken by business teams in Dingwall has resulted in over 1,640 linear metres of paper, the equivalent of 634 full, four-drawer filing cabinets, being removed from office space in-scope of the Dingwall Office Review Project.
- 73% has been destroyed through the application of the Corporate Retention Schedules.
 - 18% are considered higher risk corporate records and are now stored in the Archive Store.
 - 9% are considered lower risk corporate records and will be stored in the local satellite store.
- 9.2.4 The Project also continues to support teams in Wick to review their information holdings and, to date, has enabled the Wellington Centre to be put on the market for offers over £150 k. Initial managing information reviews have been undertaken in Fort William to support future office rationalisation.

10 Mobile & Flexible Working (MFW)

10.1 Project Status

10.1.1	Purpose	This project had as its aim to improve the mobility and flexibility of staff across the organisation. Seeking to reduce travel, the occupancy of buildings and provide modern flexible working policies for staff.	
	Target Savings	£ 225 k	
	Achieved savings	£ 225 k	
	Deliverables	Current	Previous
		Green	Green
	Savings	Green	Green
	Comment	Whilst the savings in this area have been achieved there are more savings possible against the deployment of staff who deliver services in a mobile way and the future programme will reflect this development.	

10.2 Update

10.2.1 The primary focus of the project is now to identify further opportunities for the deployment of mobile technology across the organisation. Demonstrations of the TotalMobile system, an earlier version of which is currently used for responsive housing repairs, were carried out in September and attended by all Services. Engagement with Services to identify and prioritise these further opportunities is currently ongoing.

10.2.2 The project continues to work with the Dingwall Office Rationalisation Project to support the implementation of new office layouts and desk allocation for the various teams based in the buildings. The floor layouts at County Buildings are now finalised and the project is making an assessment of what has been achieved in terms of staff-to-desk ratios and the availability of hot desk facilities.

11 Procurement

11.1 Project Status

11.1.1	Purpose	To deliver cashable savings through procurement.	
	Target Savings	£ 222 k	
	Achieved savings	£ 56 k	
	Deliverables	Current	Previous
		Amber	Amber
	Savings	Green	Green

Comment	Whilst there is a short fall at present the project is still being reported as green as the project remains on target to achieve savings in current year.
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11.2 Update

11.2.1 The project is marked as amber because it is running later than originally planned, however the current phase is complete in all but minor details and the Project Board have signed off closure of this phase. A paper requesting ELT/Programme Board sign off, with proposals for phase 3, is programmed for WBM on 8 December. There is confidence that the cashable savings will be met in the financial year.

12 **Transport**

12.1 Project Status

12.1.1	Purpose	The project aims to ensure the most effective use of the available transport across the Highlands and the procurement of transport services at the most favourable rates.	
	Target Savings	£2.246 m	
	Achieved savings	£ 0	
	Deliverables	Current	Previous
		Green	Green
	Savings	Green	Green
	Comment	It is already known that the previously agreed saving target for transport (£100k) will not be met due to delays in actually starting the programme. Those savings have therefore been incorporated into future savings against a wider transport programme. These are significantly higher than previously set, amounting to £2.246 m over 2015-19. The development of the programme continues at pace.	

12.2 Update

12.2.1 All aspects of the programme are being developed including:

- The integrated transport project in Lochaber
- The understanding of the demand and supply of transport in terms of contracts across Highland
- Stakeholder engagement with public sector partners
- The engagement with community transport groups
- The development work in Sutherland

13 Future Programme Developments

13.1 As part of the budget setting process through to 2019, the Corporate Improvement Team (CIT) has been engaged to research and develop a portfolio of potential projects alongside Service initiatives that will both help deliver the required savings and improve and further modernise the Council.

13.2 The projects that are proposed need to be seen as part of the wider budget setting process and will be presented to Members as part of the budget setting process and decision making.

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, but this is over a period of four years
- Be discussed and be subject to challenge and discussion
- Be cross-service in nature
- Be aligned with the corporate aims and the desired end state
- Be concerned with efficiency and effectiveness
- Be part of a governed and supported change
- Have a focus on the pace of delivery

14 Risks

14.1 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. There are currently no red risks.

15 Resource Implications

15.1 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.

16 Legal Implications

16.1 There are no current or anticipated legal issues.

17 Equalities and Climate Change

17.1 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 equalities impact assessment.

18 Recommendation

18.1 Members are asked to note:

- Progress with the delivery of the Corporate Improvement Programme.
- The action being taken to ensure savings are delivered on target.
- The development of a new Transformation Programme as part of the 2015-19 Budget Strategy.

Designation: Depute Chief Executive

Date: 17 November 2014

Author: John Robertson, Programme Manager