

# The Highland Council

## Resources Committee 27<sup>th</sup> May 2015

<b>Agenda Item</b>	<b>19</b>
<b>Report No</b>	<b>RES/46/15</b>

### Summary

The Corporate Improvement Programme 2 (CIP2) closed on 31<sup>st</sup> of March 2015. The programme achieved £5.28m in efficiency savings for the period 2013/14 & 2014/15. A number of the current initiatives will be developed further under the Transformational Savings Programme which will be reported to future Resources Committee Meetings.

## 1 INTRODUCTION

1.1 The Corporate Improvement Programme 2 (CIP2) from 1<sup>st</sup> April 2013 to the 31<sup>st</sup> March 2015 comprised of 8 projects (predominantly but not exclusively) aimed at delivering cashable savings amounting to £5.98m.

1.2 In addition to cashable savings the programme also worked towards a target operating model which includes the principles below. The programme has made significant progress in all of these areas, as outlined below in the project updates.

- 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

## 2 SAVINGS DELIVERED

2.1 The ambitious savings target for the programme was set at **£5.98m**. Around 90% of the target was achieved with the programme delivering **£5.28m** of savings. The shortfall in savings can be attributed to the following:

- Business Support – School administration savings not realised
- Customer Contact Transformation – Customer Services Review still in progress
- Income Generation – Commercialism agenda not fully exploited

2.2 Where appropriate, savings shortfalls will be carried forward to the new Transformational Savings Programme (TSP). It is also important that the lessons learned around these areas are applied to the new programme and that robust challenge is put in place where key milestones are not being met. The reporting and governance structure supporting the new Transformational Savings Programme (TSP) aims to provide this.

## 3.0 CUSTOMER CONTACT TRANSFORMATION (CCT) OUTPUTS

3.1 The Customer Contact Transformation project set out to create a modern, effective and efficient way for our customers to deal with the Council. This included the development and introduction of online forms. In addition to cashable savings the project delivered:

- 34 online forms for customers to request services from Highland Council
- Introduced a new website designed around customer requirements
- Upgraded form software to increase functionality and to enable access through mobile devices such as tablets and smartphones
- Installed an integration tool to enable us to route customer requests to the right people quickly and efficiently.

It has been agreed that a Digital First Programme will replace the Customer Contact Transformation project with a focus on digital inclusion and the digital first agenda.

**3.2** The **Digital First Programme** under the Transformational Savings Programme will:

- Meet increasing customer expectations around the number of online transactions available.
- Achieving 40% of transactions on line by April 2017.
- Promote Digital First agenda through work with Digital Champions and Citizens on line
- Work in liaison with national initiatives to deliver solutions as efficiently and effectively as possible.

**The savings target for Digital First under the TSP are £1.3 m**

#### **4.0 MOBILE AND FLEXIBLE WORKING (MFW) OUTPUTS**

**4.1** The original objectives of the project were to develop further flexible working practices, support office rationalisation and to learn from and progress opportunities for mobile service delivery. A post to support mobile working as part of office rationalisation has been created in Development and Infrastructure and a new programme of work looking at cashable efficiencies from mobile working has been developed.

It has been agreed that a Mobile Service Delivery programme will replace the Mobile & Flexible Working project, with a clear focus on mobilising as many field based workers as possible.

**4.2** The **Mobile Service Delivery Programme** under the Transformational Savings Programme will:

- Maximise the time dedicated to front line services
- Automate data capture to ensure that information is only processed once
- Improve processes to ensure they focus on delivering a strong customer experience
- Streamline processes to remove inefficiencies
- Reduce in fixed desk utilisation (feeding into the Office rationalisation programme)
- Enable the Council to generate targeted performance data

**The savings target for MSD Programme as part of the TSP is £0.512**

#### **5.0 INCOME GENERATION (IG) OUTPUTS**

**5.1** The core areas of opportunity development for the Income Generation Project were the following:

- Advertising and sponsorship
- Increased charges
- Income available via renewables projects

The Income Generation project targeted advertising and sponsorship opportunities, reviewing charges and the development of renewables as a means of bringing in income to the council. One of the weaknesses of this approach was the lack of commercial specialism in the Council and at Resources Committee it was agreed to appoint a commercial manager. An appointment to the post will be made in June 2015.

**5.2** The **Commercial Manager** under the Transformational Savings Programme will:

- Identify further opportunities in areas already engaged with
- Identify new commercial opportunities for the Council
- Increase commercial awareness within Services

**The current target under the TSP is £182k but this figure is subject to review.**

## **6.0 MANAGING INFORMATION (MI) OUTPUTS**

**6.1** On commencement of the Managing Information Project, information management policies and guidance were sparse, not easily located or meaningful. The responsibility and accountability for information was undefined, staff and managers often did not have an understanding of their role around information management which has resulted in high volumes of unmanaged and undefined information. Working with teams and business experts, the project has already facilitated the delivery of:

- A corporate Information Asset Register
- Delivery of assigned Information Commissioners Office audit commitments
- An identified Information Asset Owner & Information Asset Manager for every information asset and mandatory MOL training course
- Enabled the delivery of cashable savings by Office rationalisation projects through an on average 60% reduction in information stored in office accommodation
- Facilitated the improvement of information management within business units
- Creation of satellite controlled record stores in Wick, Dingwall and Inverness supported by defined retrieval and transfer processes.

**6.2** The **Managing Information Programme** under the Transformational Savings Programme will:

- Enable the delivery of Office rationalisation e.g. Inverness, Fort William
- Rationalise network space and significantly reduce the use of network drives
- Increase compliance around the management of records & information
- Continue to work across business units to implement SharePoint and other tools to support better document management.

**In addition cashable savings are being identified to contribute to the TSP.**

## **7.0 ASSET MANAGEMENT (AM) OUTPUTS**

**7.1** The Asset Management project aimed to reduce the number of properties the Council owns and/or leases ensuring as full an occupation of remaining properties as possible. Working with Mobile and Flexible Working and Managing Information projects to introduce new ways of working, the project has undertaken office rationalisation projects in the following areas:

- Church Street
- Wick
- Dingwall
- Kingussie
- Fort William

**7.2 Asset Management** under the Transformational Savings Programme will:

- Continue to deliver office rationalisation agenda
- Identify new opportunities for development

**The savings target for Asset Management as part of the TSP is £0.540**

## **8.0 PROCUREMENT (PROC) OUTPUTS**

**8.1** Under CIP2, the procurement project focussed on improvements to how contracts are awarded and the delivery of savings from changes to existing contracts.

**8.2** Procurement under the Transformational Savings Programme will deliver savings:

- From reduced cost of buying off-contract,
- Through product rationalisation to reduce number of variable items currently bought
- Through more effective and shared working across public sector bodies within and outwith Highland.

**The total targeted savings for Procurement as part of the TSP is £440k.**

## **9.0 INTEGRATED TRANSPORT PROVISION (ITP) OUTPUTS**

**9.1** The ITP project was initially set up to look at community transport issues. Within the wider scope of the ITP Project it was also able to effect a home-to-school transport saving by working with colleagues in Community Services and Care & Learning, changing the nature of provision from contractor-based to an in-house solution.

**9.2** The Transport Programme under the Transformational Savings Programme will deliver savings:

- Generate transport expenditure savings and achieve primary target for 2015-19
- Reduce the level of expenditure on home-to-school and public bus services provision.
- Generate early savings by renegotiating contract prices for some of the higher priced contracts.
- Scrutinise Grants awarded to community transport providers to ensure best value.

**The savings target for the Transport Programme as part of the TSP are £2.46m**

## **10.0 BUSINESS SUPPORT (BS) OUTPUTS**

**10.1** The Business Support project set out to increase the standardisation and efficiency of “back office” or support processes to deliver the support the organisation needs at less cost. Savings have been delivered through a combination of a restructure of the way support is provided across all Services and improvements to processes.

- Shared Business Support Service
- HR Portal and redesigned HR processes
- On-line access to payslips, claim and approval of expenses,
- Self Service recording of absence data.

**Potential figure for the further development of back office processes will be agreed prior to the TSP Board in September 2015.**

## **11.0 TRANSFORMATION AND SAVINGS PROGRAMME**

**11.1** Building on the successes of the Corporate Improvement Programme, the next programme of work has to deliver **£17.8m** in savings by 31<sup>st</sup> March 2019. An overview of these projects can be found in **Appendix 1**.

**11.2** The scale of change required to be undertaken by the organisation to meet agreed savings targets requires consistent and robust governance and monitoring to ensure delivery. The Executive Leadership Team, working with officers have agreed formal reporting and monitoring mechanisms.

## **12.0 MANAGING THE TRANSFORMATION AND SAVINGS PROGRAMME**

### **12.1 Projects**

In addition to the programmes of work managed by the Corporate Improvement Team, several distinct projects have been identified to enable the delivery of targeted savings. Each of these projects has a cashable target, defined remit and assigned lead officer.

### **12.2 Portfolio Management**

Members of the Executive Leadership Team have been assigned Portfolios of projects and are accountable for the delivery of these projects to meet the savings and outputs agreed by the Council.

### **12.3 Project Lead**

Each project has an identified Project Lead who will be responsible for the day to day management of the project and for reporting progress to the relevant Director (portfolio manager).

### **12.4 Reporting**

The reporting mechanisms to each Director will be the same, providing a consistent approach across the organisation that will ensure greater transparency and auditability.

### **12.5 Scrutiny**

The Corporate Improvement Programme Manager will meet with each project lead on a monthly basis to assess progress against plan. This will also give Project Leads the opportunity to discuss any risks or issues and possible mitigating actions. The output of these meetings will form a monthly report to the Transformational Programme Board (Executive Leadership Team) which is chaired by the Chief Executive.

### **12.6 Support**

The Corporate Improvement Team will, where required, offer support and advice to project leads. Projects leads will also be given a project site to manage their project documentation and a project toolkit to assist with project planning and management.

### **12.7 Project Governance**

All projects will be governed by the Transformational Programme Board (Executive Leadership Team) and a joint report by the Depute Chief Executive and Director of Finance will be presented to Resources Committee quarterly to enable Members to scrutinise and monitor progress with the delivery of the Programme.

## **13 RISK IMPLICATIONS**

All projects and programmes in the Transformational Programme will maintain a risk and issue management register. There are no headline risks to be raised at this point.

**14 RESOURCE IMPLICATIONS**

As part of the standards set out for the management of projects resources will be identified on a project by project basis, there are no specific issues to report.

**15 GAELIC IMPLICATIONS**

No issues

**16 LEGAL IMPLICATIONS**

No issues

**17 EQUALITIES AND CLIMATE CHANGE IMPLICATIONS**

All projects or initiatives will undertake equalities and/ or climate change impact screening where appropriate, to date no issues have been identified.

**18 RURAL IMPLICATIONS**

All projects or initiatives will undertake a rural impact screening where appropriate, to date no issues have been identified.

**19 RECOMMENDATION**

Members are asked to note the report and the arrangements that have been made for the governance and implementation of the Council's Transformational Savings Programme.

Designation: Depute Chief Executive/ Director of Corporate Development  
Date: 14/05/15  
Author: John Robertson, Programme Manager

## APPENDIX ONE

Project	Portfolio Holder	Project Lead	Saving
Energy from Waste:	William Gilfillan	Colin Clark	£2,800,000
Transport Programme:	William Gilfillan	Stephen Graham	£2,246,000
Reduction in light vehicles and plant:	William Gilfillan	Richard Evans	£300,000
Fuel Procurement:	William Gilfillan	Richard Evans	£210,000
Anaerobic Digestion:	William Gilfillan	Colin Clark	£200,000
Marine Fuel:	Steve Barron	Steve Barron	£200,000
Centralise stores:	William Gilfillan	Richard Evans	£90,000
Treasury Management:	Derek Yule	David Robertson	£1,953,000
Digital First -	Michelle Morris	David Moreton	£1,300,000
Supporting Community Organisations to provide public services:	Carron McDiarmid	Carron McDiarmid	£1,000,000
Offshore wind farms	Stuart Black	George Hamilton	£1,000,000
Attendance Management	Michelle Morris	John Batchelor	£679,000
ICT Applications Efficiencies	Michelle Morris	John S Grieve	£650,000
Travel, Subsistence and Overtime:	Michelle Morris	John Batchelor	£571,000
Employability:	Stuart Black	Andy McCann	£550,000
Mobile Technology:	Michelle Morris	Caroline Campbell	£512,000
Transferring Council Assets into Community Ownership maintenance	Carron McDiarmid	Carron McDiarmid	£500,000
Support for Council Renewable Projects	Stuart Black	Eddie Boyd	£486,000
Fort William Office Review	Stuart Black	Graham Bull	£395,000
Scottish Wide Area Network – Council savings	Michelle Morris	John S Grieve	£354,000
Procurement:	Derek Yule	Ashley Gould	£440,000
Debt Recovery	Derek Yule	Allan Gunn	£250,000
Leisure Management:	Derek Yule	Derek Yule	£200,000
Money Advice:	Derek Yule	Allan Gunn	£130,000
Share Support Services - Business Support:	Derek Yule	Allan Gunn	£100,000
Share Support Services - Revenues:	Derek Yule	Allan Gunn	£100,000
Community Development/Health Improvement:	Bill Alexander	Bill Alexander	£50,000
Licensing: Creation of a single licensing team	Michelle Morris	Stewart Fraser	£50,000
charge for local pre-application advice packs	Stuart Black	Malcolm MacLeod - Planning	£45,000
Share Support Services - Trading Standards:	Stuart Black	Gordon Robb	£40,000
Share Support Services - Building Standards:	Stuart Black	Glenn Campbell	£40,000
Share Support Services - Legal & Democratic	Michelle Morris	Stewart Fraser	£40,000

Share Support Services - Finance-Procurement:	Derek Yule	Ashley Gould	£40,000
Levy a fee for accelerating the delivery of discharge of conditions	Stuart Black	Malcolm MacLeod - Planning	£40,000
Shared Services - Care Performance & Contracting:	Derek Yule	Derek Yule	£32,000
Shared Services - Corporate Fraud:	Derek Yule	Nigel Rose	£25,000
Share Support Services - Finance-Computer Audit:	Derek Yule	Nigel Rose	£20,000
Shared Services - Learning & Development:	Derek Yule	Derek Yule	£25,000
Shared Services - Health & Safety:	Derek Yule	Derek Yule	£25,000
Income Generation:	Stuart Black	John Robertson - CEO	£137,000