

Agenda Item	18
Report No	HC/43/19

HIGHLAND COUNCIL

Date: 5 September 2019

Report Title: Change Strategy and Change Fund Phase 4

Report By: The Chief Executive

1. Purpose/Executive Summary

1.1 On 14 February 2019 the Council approved its budget strategy and Change Programme “A Sustainable Highland” based around 4 themes: Making the Council More Efficient; Commercialism and Income Generation; Redesign and Improvement; and A Flexible and Well Managed Workforce, to deliver £37.456m of savings over the next three years. At the same time, approval was given to introduce a Programme Office to oversee the delivery of 16 major transformational projects and a £2.5m Change Fund was established to ensure this ambitious programme was effectively resourced.

1.2 The following report provides information on the projects that make up the Change Programme; The report also sets out where projects have been supported by additional resourcing from the Change Fund and provides an assessment of the benefits the Fund has helped to deliver. Lastly, the report seeks Members’ approval for a number of new bids to Phase 4 of the Change Fund, amounting to a total of £610,300.

2. Recommendations

2.1 Members are asked to:

- i. Note the progress being made to implement the projects that form the Council’s Change Programme;
- ii. Note the progress being made on delivering the committed actions from Phases 1-3 of the Council’s Change Fund; and
- iii. Agree the bids to Phase 4 of the Council’s Change Fund to further support the transformation activity being undertaken throughout the Council.

3. Implications

3.1 Resource

The resources required to deliver the new Change Fund initiatives have been outlined in the main body of the report. In addition, it does need to be recognised that every project has a resource implication for the Council in terms of senior managers undertaking sponsoring roles and as members of the 16 Project Boards; as well as staff throughout the Council who provide information and support to the savings programme on a daily basis. The very positive progress that has been made to date – with over two thirds of the 2019/20 savings and income target already achieved by the first quarter of the year – demonstrates that the decision to dedicate such significant levels of financial and staff resource has been worthwhile. As the pace of change increases over the course of this year, further funding requests have been made based on an assessment of the overall resource available and the remaining funds available within the Change Fund.

3.2 Risk

There are risks attached to the proposals set out in the report. These include:

- delivering on the priorities. This will be mitigated by the managerial and Member governance arrangements already in place around the Council's Change Programme;
- driving and sustaining improvement. This will be addressed by high quality and ambitious Member and corporate scrutiny and leadership; drawing on current resources and talent in the organisation along with additional support brought in, supported by the Change Fund where needed;
- impact on staff, with the right balance to be struck between supporting and challenging staff to be high performing. This will be addressed by a range of supports, provided through the already committed Phases of the Change Fund (as set out in Appendix 2) and through the proposals set out in this paper as Phase 4 of the Change Fund resource.

3.3 Legal

The approach set out in this report will support the Council to meet its legal duty to secure Best Value and continuous improvement.

3.4 Community (Equality, Poverty and Rural)

Screening for equality, rural, and socio-economic implications were undertaken on all of the Change Programme initiatives as part of the budget process. A number of these highlighted the need for further assessment to be undertaken as part of project development. Assessments and any actions as a result of these, will be incorporated into each project plan.

3.5 Climate Change / Carbon Clever and Gaelic

There are no negative implications arising from the recommendations in this report.

4. Background and Context

4.1 The change programme and associated Programme Management Office was established to ensure appropriate governance, resourcing, scrutiny and delivery of the more ambitious and cross-service changes being proposed in the Council's budget Strategy "Sustainable Highland" to ensure that there is:

- Better collaboration and coordination across the Council;
- Better visibility of initiatives across the Council;
- Greater returns from the projects implemented;
- More efficient and faster delivery of projects;
- Better risk mitigation and structured risk resolution;
- A clear and consistent mechanism for assessing potential projects arising from member, staff and public feedback.

4.2 Members also agreed that it was essential for this transformation to be properly resourced and so approved £2.5m to be set aside in 2019/20 specifically to provide sufficient funding for resourcing the change programme.

5. Oversight and Delivery to date

5.1 In addition to this report, since the Budget Strategy was approved at Council in February 2019, Members have been provided with Programme progress updates at full Council meetings; presentations have been given at the all-Member Budget Briefings and Programme updates have also been reported to the Redesign Board and the Commercial Board.

5.2 The Executive Leadership Team has provided detailed oversight and scrutiny of the programme at weekly Change Programme Board meetings. This has helped to ensure that pace is maintained and that Project Sponsors are clear on expectations.

5.3 At the Council in May 2019, it was agreed that the reporting of progress against the Programme needed to be integrated with the impact of Change Fund resourcing so that it was clear how the additional resourcing was helping to deliver the budget strategy. The following report and appendices endeavour to make these linkages much more explicit and demonstrate the essential role that the Change Fund is playing in delivering against agreed priorities.

6. Progress with the Change Programme

6.1 As members are aware, the Change Programme currently comprises 16 individual projects that are all geared towards delivering the three year savings targets already identified by Council, as well as to carry out the transformation required to assist in identifying further efficiencies in the way the Council operates (and thereby inform budget planning for the next two years and beyond). The Change Programme is supported by the work being undertaken by the Redesign and Commercial Boards. The table in **Appendix 1** sets out an overview of progress with all of the individual projects, including progress achieved in the last month and an overview of the deliverables proposed for next month. The Change Fund is playing an important role in moving some of these projects forward.

6.2 In addition to the 16 Change Programme projects set out in **Appendix 1**, a lot of effort over the last month has focussed on ensuring that the savings proposals identified for Procurement are being actively managed. This has resulted in a separate project being created, managed by a new member of the Commercial and Procurement Shared Service. This has resulted in a number of actions being prioritised, which will form the basis of a briefing to Members at a Budget Briefing in the near future.

7. Redesign and Commercial Board Update

7.1 The Redesign Board met on 20th August and an update was provided on the ongoing work on the implementation of the recommendations from the Agency/Temporary Workers Redesign Review. Progress is being made on the short term actions identified in that review, as part of the overall approach to Workforce Planning.

7.2 The Board also considered progress with the Catering Services review, with a focus on some of the themes for further analysis. This review is being assisted with some external assistance funded through the Change Fund, which is helping to bring some objective challenge to the current arrangements.

7.3 The Commercial Board has continued to provide oversight and direction for Commercial related activity as a part of the Council's drive to reduce costs and generate new income. Energy related initiatives geared to reducing our consumption costs and generating income through renewable schemes have been a focus of the Board, seeking to address grid restriction issues that could constrain our ability to maximise the benefits from renewable energy schemes. As part of a commercialisation agenda, the Board has also approved £11k spend from the Investment Fund to commission work with the Association for Public Service Excellence (APSE) to develop a business plan for insourcing house clearances, void cleaning, and cleaning of temporary accommodation. This initiative with APSE includes activity to work with senior officers and members to assess the Council's appetite and readiness to maximise commercial opportunities.

8. Change Fund Phasing and Prioritisation – Commitments to date

8.1 The Change Fund purpose is threefold: to resource the Change Programme; to support new ideas for innovation and income generation; and to manage risk around the programme as a whole. As reported to the Council meeting in June 2019, the Change Fund will increasingly focus on new proposals arising from the Redesign and Commercial Boards and from staff forums, when opportunities are identified for improved processes; income generation and commercialisation; and to address any emerging risks to ensure the delivery of the Council's budget commitments.

8.2 The commitments that have already been made against the change fund are set out in **Appendix 2** of this report. Members are asked to note the progress being made against these commitments as set out in the table in the appendix. All of the commitments made are being implemented and close scrutiny of progress being undertaken.

8.3 Phase 4 of the Change Fund reflects the pace of change now being delivered throughout the Council, and the need to support the wider reorganisation of service delivery underway. Section 9 below sets out the detail of these requests to the Change Fund, along with the related justification. The overall funding sought from the Fund is £610,300, which can be accommodated within the uncommitted budget currently available of £910,375. Members are asked to support these bids to the Change Fund.

9. Change Fund – Phase 4 Bids – Detail

9.1 Organisational Transformation Programme

As set out in the Organisational Transformation and Transitions report elsewhere on the Council agenda, it is proposed to establish a Programme Board to oversee the delivery of the next phase of change. This will ensure the smooth transition to the new organisational structure so that staff, Members, customers and partners experience minimum disruption in the delivery of services; feel informed about the changes and understand the reasons for it; and have the opportunity to contribute to the way in which the new structures evolve. A programme approach will also ensure appropriate risk management, governance and communications are in place throughout the process and key systems and processes are reconfigured to accommodate the changes (ICT; Payroll; budgets/accounting; website; support services). Senior management governance will be through the Change Programme Board. Member Governance will be achieved by regular reporting to Council.

Members' approval is sought for the appointment of a fixed term programme manager, and a programme support officer. There is a significant amount of work to be done which will need to be broken down into a series of separate but interconnected work streams or mini projects. Once in place, the programme will need to hit the ground running and draw together all the requisite in-house expertise to develop and implement the work plan. It will be important to make progress as quickly as possible on all fronts to ensure staff, Members and customers experience least disruption and have full visibility about plans and progress.

Summary:

1 X Programme Manager

1 X Programme Officer

The total resource required for this is £82,000.

9.2 Workforce Planning, staff wellbeing and resilience

In addition to the resource required specifically to lead the programme, the same report outlines the requirement for dedicated HR resource to support and deliver organisational change at service level and at the front line. An additional 2 HR Partners will join the existing team on a temporary basis to work directly with ECOs to understand the specific requirements of their staff groups in transitioning to the new arrangements and also address historic workforce issues and challenges.

Also required is a systems support officer to work with the existing Workforce Planning Project Manager to develop improved HR/Payroll systems. This is critical to providing

access to essential organisational data around employee numbers, vacancy rates, sickness and other absences, agency and temporary workers and so on. Finally, there is a need for a business support officer to support the enhanced level of activity in the HR.

Summary:

2 X HR Business Partners
1 X HR Systems Officer
1 X L&D Officer

1 X Administrative Assistant

The total resource required for this is £194,000.

9.3 **Members' Training and Development Programme**

As detailed in a report elsewhere on the Council agenda on the Member Training and Development Programme, it is proposed to establish improved training provision for Members through a combination of mandatory training developed with CIPFA and voluntary CPD based on the Improvement Service self-assessment model.

Change Fund resources are requested for the delivery of core training in support of the Mandatory training modules. This would include working with external providers like CIPFA to develop locally delivered courses on subjects including Governance And Scrutiny and Financial Management & Financial Resilience. There will also be opportunities to develop and deliver combined Member/officer training where appropriate, particularly around the leadership and culture strategy. The intention would be to establish an external best practice baseline and an improvement plan for the next 12 months post assessment in order to gain CIPFA accreditation.

A request is also being made for a fixed term appointment to provide support to the roll out of the new approach, including acting as a single point of contact for Members as the programme is established. The post holder will have a key role in involving Members in reviewing and improving the programme and will co-ordinate the proposed sounding board and take forward agreed actions; oversee the recording/reporting of training undertaken; and get involved in developing the Induction and training sections on the Members portal. Once established, with materials created and processes firmly embedded there would be no further need for a dedicated resource and the activity could be absorbed into the business as usual within the Learning and Development team.

Summary:

Up to £32,000 to work with external providers to develop and deliver mandatory courses, establish an accredited model and develop the Leadership and Culture Strategy.
1 X L&D Advisor.

The total resource required for this is £53,000.

9.4 **Housing Support/Talent Attraction**

A bid is being made to the Change Fund to undertake some research into opportunities to develop housing for key workers to address where a lack of housing acts as a barrier to recruitment across the public sector in Highland. It is difficult to address this need through “mainstream” Council housing without affecting the Council’s ability to meet our statutory housing duties. Instead, funding is being sought to explore other models that could allow a more commercial approach. For example allowing the Council to provide key worker housing at mid-market rent for defined periods to help attract people to the area, with the option of making those properties available for short term lets when not required.

Funding would be to develop an outline business case, including an assessment of demand by area for key worker housing across the public sector, considering best practice in terms of the different models that may be available, and making recommendation on the most appropriate model for the Council to take forward.

Summary:

£10k consultancy to undertake an options appraisal for a partnership endeavour linking workforce planning, housing development and income generation.

The total resource required for this is £10,000.

9.5 **Income generation/TVL**

Additional Change Fund resource is being requested to augment the income generation project to help to increase the pace of delivery. At present the project shares a project manager with the Transient Visitor Levy project. The proposal is for both projects to move to having a full time project manager so that the TVL project can broaden scope to consider wider tourism related issues and pressures and the income generation project will have greater resource available to accelerate the schedule and deliver the income targets. A full time technical assistant is being sought on a time limited basis to support delivery of services on the operational parking side. Their role would release enforcement staff currently engaged with infrastructure delivery and customer support to deliver enforcement duties and increase PCN income. To assist with the public engagement requirement, which is one of the elements that adds in significant additional time to the process, the project is also seeking a full time community engagement manager. This resource could also be available for the Tourism project, if needed.

Summary:

1 X FTE Technical Assistant HC05
1 X FTE Community Engagement Officer
1 X FTE Project Manager

The total resource required for this is £110,300.

9.6 **Trades Review**

The Redesign Board agreed the Trades Review and this was supported by Council in

December 2018. One of the three priorities from the review to be implemented this year is a pilot of joint working between the housing and property teams and to in-source repairs and maintenance to deliver best value for the Council. The Redesign Board agreed two pilot areas: Lochaber and the Inverness Royal Academy Associated School Group. New systems and working arrangements are being designed for the pilot areas. These involve staff and trade unions. The number of jobs to in-source has been estimated and a workforce plan has been produced that highlights the need for six new trades posts among joiners, plumbers and electricians. As these staff would work on both housing and non-housing properties their costs can be apportioned between the Housing Revenue Account (HRA) and non-HRA. The business case was presented to the Resources Governance Board and this showed that based on the new jobs estimated and workforce planned, in-sourced costs would be £39k less than current contractor costs in the pilot areas. For the pilots these costs include the cost of a supervisor in both pilot areas. The supervisory posts will not only support the success of the pilot, but also help design the roll out of the pilot to other areas and reduce costs further for the Council. Funding from the Change Fund is sought for these costs in year 1 only which total £55,188 in salaries and £30,812 in on-costs.

Summary:
2X Supervisors

The total resource required for this is £86,000.

9.7 Community Services Pilots

Community Services has identified a number of locations for taking forward a place based pilot focused upon the expansion of the principle of disaggregated budgets for the delivery of locally responsive services based on local priority setting. The local pilot would involve staff, trade union representatives and local members to help challenge current ways of working across teams based in depots and to identify with them any changes to current practice and flexibility in their roles to deliver best value for the Council. Dedicated HR support for such a pilot is required given the very small in-house HR resource at this time.

An assessment of the resourcing issues in Community Services has also highlighted the need for additional support for the workforce. A range of workforce data indicates stressors across job types and roles. This includes data about staffing reductions, the age profile, the sickness absence among the staff and the level of grievance and disciplinary cases. Additional funding to help develop a programme of staff wellbeing supported by our existing in-house team is sought along with external HR advice to review current HR policies and practice to support the pilot under consideration above.

The total resource required for this is £75,000.

10. Next Steps

- 10.1 Work will continue over the course of the year to deliver against the Change Programme and regular updates will be provided to members. Achievement of the savings for this financial year remains a fundamental goal, as well as the need to identify and begin to deliver some of the further changes that will be required for future

years. The proposals set out within this paper will allow this work to be progressed in good time for budget engagement later in the year.

Authors:

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Date: 27 August 2019

Update on Change Programme August 2019

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
CP1 Project: Trade Services	PS: Carron McDiarmid PM: Sylvia Beswick	<p>To implement the redesign review agreed by the Redesign Board and Council and shift the balance of property maintenance to undertake more repairs in-house and reduce the cost of out-sourcing.</p> <p>Year 1 focus is 3 priorities out of 13 recommendations. These are to:</p> <ul style="list-style-type: none"> • re-procure a framework for trade services so that where we do out-source, we comply with all legal, procurement and audit requirements; • make repairs processes more efficient (by undertaking 2 lean reviews); and • pilot the use of in-house trades for non-domestic repairs in 2 areas of Lochaber and the Inverness Royal Academy ASG. <p>Savings compliance will be through budget removal at the start of the financial year and enhanced scrutiny of monthly spend in the project board and to intervene where appropriate.</p>	<p>Period highlights</p> <ul style="list-style-type: none"> • The procurement for the new framework for trade services is well underway. The period for submissions has been extended, and further stakeholder engagement sessions are planned to ensure that as much support and encouragement as possible is given to local suppliers who wish to be added to the framework. • The Lean reviews into the property and housing repairs processes is progressing well, and are now at the analyse stage, with efforts being made to set out the “to be” processes. The intention is that once complete the two processes will come together in line with our target operating model of much more synergy between the two areas of work. • The pilot project to in-source more work for our internal workforce is well underway, focussing as agreed on Lochaber and the Inverness Royal Academy Associated Schools group. A workshop was held on 27th August 2019 with all of the staff involved to ensure buy-in and a successful delivery. <p>Next period deliverables</p>

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
			<ul style="list-style-type: none"> • Lean work to continue with recommendations due September/October 2019. • Formal Board meetings with TU involvement. • Preparations for the pilot areas to continue. • Framework procurement to continue.
<p>CP2 Project:</p> <p>Grey Fleet</p>	<p>PS: Caroline Campbell PM: Keith Masson</p>	<p>18/19 carry forward savings of £575k to be delivered in 2019/20 through reduction in non-essential staff travel, to optimise the use of the Council’s “white fleet” (e.g. vans), and to reduce our fleet costs in so doing.</p> <p>Compliance through behaviour change (e.g. default is that travel is unnecessary), and the proactive and effective management of staff, including using data to identify who is travelling, where, and for what purpose</p>	<p>Period Highlights</p> <ul style="list-style-type: none"> • Roll out of car club vehicles has continued (now up to 60 vehicles). • White fleet baseline data has been produced and is being passed to Energy Savings Trust for analysis and recommendations. • Meeting with Budget Leader to provide feedback regarding car club and to begin scoping opportunities for savings from member travel. A further session will be held with the next cross-party resources monitoring group. • Staff travel survey issued on use of private cars and car club. <p>Next period deliverables</p> <ul style="list-style-type: none"> • Analysis of staff survey results. • Approval from Transport Scotland to use funding to install EV chargers at council car club sites. This will allow additional rollout of EV cars and vans.
<p>CP3 Project:</p> <p>Transport</p>	<p>PS: Kate Lackie PM: Rob Macaskill</p>	<p>This project will: Deliver improvements and reduce costs by £400k for school and contracted bus service contracts, and the</p>	<p>Period Highlights</p> <ul style="list-style-type: none"> • Procurement and Transport teams are co-working to create a timescale/requirements for

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
		<p>management of the same. Compliance will be through monitoring and tracking data (usage, costs) Implement the recommendations of the re-design review which were approved by the re-design board in February 2017, the aim being to drive efficiencies and to deliver improvements in Community Transport and Engagement. The recommendations included:</p> <ul style="list-style-type: none"> • Explore transfer of HC minibuses from establishment to central management; • Further analysis of home to school network • Establishing and implementing the recommendations from a Lean review of transport processes. • Delivering improvements to the provision of Home/School transport for all pupils through process changes, more effective route planning, introducing collection hubs and renegotiating pricing structures with individual operators. • Ensuring effective delivery of changes to the costs of public bus tenders 	<p>Framework replacement</p> <ul style="list-style-type: none"> • Bus route cost analysis work has continued • Project has completed its first community-led solution to transport needs in Gairloch. <p>Next period deliverables</p> <ul style="list-style-type: none"> • Planned work for the coming month includes scheduling, prioritising and progressing the work with Service colleagues to maximise the delivery of in year savings. • A mini-competition has been prepared for 28 school transport routes for current temporary contracts. It is hoped that longer term contracts will enable these prices to be reduced. However this also includes 12 new routes which will add cost. • Start work on internal consultation for Framework (DPS)
<p>CP4 Project:</p> <p>Waste Management</p>	<p>PS: Malcolm Macleod PM: Stephen Graham</p>	<p>Delivering a waste management solution for the residual waste project which complies with the 1st January 2021 biodegradable municipal waste (BMW) landfill ban [arising from the Waste (Scotland) Regulations 2012] and the approvals secured at Environment, Development and Infrastructure Committee.</p> <p>Delivering associated infrastructure developments to provide new waste transfer stations in Lochaber and</p>	<p>Period Highlights</p> <ul style="list-style-type: none"> • Residual Waste Project - Procurement workshop with Property & Project Management Team (PPMT) to assess most appropriate basis on which to publish the Longman waste management facility requirement. • Draft, revised project programme for delivery of Longman facility circulated to project team by PPMT.

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
		<p>Badenoch & Strathspey. Delivering a range of Waste Service savings proposals:</p> <ul style="list-style-type: none"> • assessing waste haulage processing contracts for potential to bring some activity back in-house from October 2019 • route optimisation for waste collection services to generate savings in relation to employees, vehicles and fuel • increase recycling through improved practices within Council functions and introduction of actual cost recovery for waste generated by Council functions and partner organisations • identify recycling centres' optimum operating hours to reflect periods of highest demand • reducing construction and demolition waste brought to Council's household waste recycling centres to decrease handling and treatment costs • removing the grant to social enterprise groups for operating waste collection services • increasing the number of commercial premises that the Council collects waste from to generate income • Delivering the key actions as agreed by Members in the Single use Plastics Strategy 	<ul style="list-style-type: none"> • Other Waste Transfer Stations (WTS) – Waste Management met with Head of Planning and Environment (HoPE) and Head of Development and Regeneration (HoDR) re site options for Lochaber WTS. Legal issue which stalled signing of lease in Badenoch & Strathspey appears to be resolved. • Meeting held with Scottish Government and Highlands and Islands Local Authorities to discuss state of readiness and potential options relating to the landfill ban. • Work continuing on specific service savings to ensure delivery to target. <p>Next period deliverables</p> <ul style="list-style-type: none"> • Refine project programme with PPMT. Carrying forward of commitment to contribute to an initial, high level analysis of current status and issues amongst the various local authorities, and determination of whether there is a case for continuing with more detailed collaboration study. Procurement business case for Longman capital project. • Refine project programme with PPMT. • Carrying forward of commitment to contribute to an initial, high level analysis of current status and issues amongst the various local authorities, and determination of whether there is a case for continuing with more detailed collaboration study. • Procurement business case for Longman capital

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
			<p>project.</p> <ul style="list-style-type: none"> • Work to continue on Lochaber and Badenoch & Strathspey sites.
<p>CP5 Project:</p> <p>Education Transformation</p>	<p>PS: Allan Gunn</p>	<p>This project will specifically target the following objectives:</p> <ul style="list-style-type: none"> • Delivering improved educational outcomes through schools through a rolling 3 year programme of consultation across all Associated School Groups. • Providing improved support to Head Teachers • Delivering efficiencies to working practices and processes <p>Overall target is to deliver savings of £4.3m and improvements (£3.9m year one, £200k in years 2 and 3)</p> <p>TOR to be produced that incorporates the scope and objectives relating to Education, Note that the sponsor also covers ASN and Early Learning and Childcare An overarching board oversees all 4 C&L projects.</p> <p>The additional posts established through the Change Fund to support Absence Management are integral to this project.</p>	<p>Period Highlights</p> <ul style="list-style-type: none"> • Presentation to CL and H Committee on 21st August 2019 outlining main priorities. • With the nature of these projects having a dependency on working with colleagues in schools, this most recent time-period has been focussed on preparatory work for their return, but being mindful of timing and school priorities. <p>Next period deliverables</p> <ul style="list-style-type: none"> • Continued implementation of Transformation Programme.
<p>Ref CP6 Project:</p> <p>Early Learning and Childcare</p>	<p>PS: James Vance PM: Jennifer Campbell</p>	<ul style="list-style-type: none"> • Deliver savings of £2.5m and improvements (£2m in year one, £0.5m in each of years two and three) <p>Project established to achieve following objectives:</p> <ul style="list-style-type: none"> • Reconfiguration of the early years workforce • Reduction in non-contact time for staff. 	<p>Period Highlights</p> <ul style="list-style-type: none"> • The savings will be achieved with much of the work already in progress. • The workforce career pathway including the ELC MA programme will be more cost effective and with the appointment of the Learning Advisors

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
		<ul style="list-style-type: none"> • Developing a career pathway by promoting the ELCC support worker role. • Promotion of purchase of non-funded hours by parents. • Promotion of a provider-neutral approach • Support to new partnerships in line with national standard. • Enhancing childminding particularly in rural areas. • Developing the ELCC MA programme. 	<p>timelines are now in place around the roll out of the MA programme. We are now advertising for support workers to offer support and reduce some costs particularly in larger settings moving to 1140 hours. We continue to work closely with our partner providers around expansion planning to ensure a provider neutral approach is in place and are currently working with colleagues from the Northern Alliance around sustainable rates for partners from 2021.</p> <ul style="list-style-type: none"> • We continue to increase the numbers of commissioned childminders particularly in rural areas through active promotion of the role and engagement of early years staff with local communities. This too is more cost effective. • Staffing is in place for 71 settings to move to 1140 hours in August 2019 with additional settings coming on board in January 2020 (Phase 3). Work is ongoing in the areas with head teachers and partner centre managers around the roll out of Phase 3 and settings will be fully identified by early September. We have been working with the Improvement Service around a Supply and Demand analysis and are currently developing a Highland Operating Model that takes account of recommendations from the Improvement Service and current intelligence. The new model will ensure we have capacity to offer 1140 hours offering various options across ASGs in the most cost effective way. • Income from parents purchasing additional hours

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			<p>continues to be promoted and a development of a Highland Operating Model is allowing us to identify additional sites will move to whole year delivery and recommendations will presented to the next ELC programme board on additional sites to move to whole year provision in August 2020.</p> <p>Next period deliverables</p> <ul style="list-style-type: none"> Continued roll-out of programme.
<p>CP7 Project:</p> <p>Placement Services Change Programme (Including Fostering & Adoption)</p>	<p>PS: Karen Ralston PM: Lynnsey Urquhart</p>	<ul style="list-style-type: none"> Resolve overspend (£4.4m), deliver savings of £1m in year 3 ,and deliver improvements <p>Review of current Programme Management arrangements carried out by CET – recommendations to be implemented. Terms of reference to be refreshed.</p>	<p>Period Highlights</p> <ul style="list-style-type: none"> 34 children returned to Highland since June 2018 avoiding costs of over £5M, Spot purchased placements at lowest level in 5 years, Only x2 children have gone into spot purchased placements since April 1st 2019, Projected year-end estimated spend currently £1.8M less than in July 2018, Transition Coordinator recruited to PSCP team to develop Education packages and manage £408k of Scot Govt funding for LAC education, Agreement to end contract with private residential unit. <p>Next period deliverables</p> <ul style="list-style-type: none"> Further sessions to review programme scope to assess plan and to take stock of benefits already delivered and ensure current and ongoing need continues to be addressed with programme.

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
			<ul style="list-style-type: none"> Return a further x2children to Highland, Meet NHS re: improving returning process for 16-18 year olds with complex needs from OOA, Transition Coordinator starts post to deliver OOA returners education packages whilst Development Officer – LAC Education on maternity leave
<p>CP8 Project:</p> <p>Additional Support Needs</p>	<p>PS: Carron McDiarmid PM: Lorna Bailey</p>	<p>This project will specifically target the following objectives:</p> <ul style="list-style-type: none"> Transforming ASN services to enable schools to better meet the needs of children, so that resources are allocated equitably and meet the needs of children and young people. This will be delivered through a classroom-focused and inclusive approach, where teachers are best placed to identify the support needs of children. ASN transport - ensuring it is linked to the Transport Project Deliver savings of £9.2m and improvements 	<p>Period Highlights</p> <ul style="list-style-type: none"> The PSA reductions process is almost complete. As of 7th August matches found in 12 of the 13 schools affected with new HR resource supporting deployment. Saving achieved and currently being quantified, will be delivered from mid August at the start of the school term. ASN Teacher Reductions - 35.28FTE achieved by deleting vacant posts, 7.2FTE ASNTs volunteered to transfer into mainstream teaching posts, 11FTE have transferred into other ASNT posts within the South allocation and a 0.2FTE compulsory transfer is to take place. 5.5FTE posts will remain in place but be funded instead by DSM. Savings from a further 2FTE will be met by holding vacancies while acting up arrangements are in place this year. Process now complete and savings currently being quantified, although estimates show they will be achieved. The team continues to respond to Parent and Advocacy Group requests to meet to discuss change and to ASN Freedom of Information

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			<p>requests, complaints and enquiries.</p> <ul style="list-style-type: none"> The ASN Transformation Project Manager is currently consulting with the members of our LGBF Family Group to identify best practice and enable improvements to be made across Highland. <p>Next Period Deliverables</p> <ul style="list-style-type: none"> Commence Phase 2 Project Board focussing on Review of Allocations Model, Processes and Delivery, including school sampling/checking and new stakeholder involvement e.g. parent voice and advocacy groups; Roll-out of pan Highland inclusion focussed Education training to all Highland schools.
<p>CP9 Project:</p> <p>Service Income</p>	<p>PS: Allan Gunn PM: Caroline Urquhart</p>	<ul style="list-style-type: none"> Deliver £700k savings through implementing an invoicing surcharge, and statutory interest and penalties on late payment Compliance through proactive manager budget monitoring and intervention as required 	<p>Savings on target 19/20</p> <p>Period highlights:</p> <ul style="list-style-type: none"> Process, ICT design & testing continues – 3rd party suppliers now building necessary components. Ongoing communication with staff, budget holders and key stakeholders including Service contacts in advance of key project milestones (e.g. application of statutory interest and penalty on late business accounts) <p>Next month planned deliverables:</p> <ul style="list-style-type: none"> Implementation of agreed terms across all eligible sectors of THC. (surcharging and interest & penalty in remaining business areas) – minor

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
			<p>slippage due to ICT issues/3rd party supplier access (now resolved)</p> <ul style="list-style-type: none"> • Development, build and testing of full solution SLI (Harbours) removing duplicate keying of data in service and financial systems • Test, and roll out of first tranche of budget holder reporting and support including meetings with HoS/Snr Managers • Analysis of transactional data covering value & volume - scoping for feasibility of moving additional THC services to alternative transaction methods (e.g. online or pay on site) • Reporting & Review of initial data • Project sponsor meeting with HMB ON 20/8/19 to provide update in relation to harbours management
<p>CP10 Project:</p> <p>Transient Visitor Levy/ Tourism Developments</p>	<p>PS: Stuart Black PM: Amy Prior</p>	<ul style="list-style-type: none"> • Complete Highland consultation on TVL to provide basis for implementing a Levy (subject to Scottish Government legislation), and so maximise opportunity this affords for income generation and targeted spend of the same • Proactively target commercial opportunities for new income from Tourist Developments such as charging for camper van parking/facilities 	<p>Period Highlights</p> <ul style="list-style-type: none"> • TVL Full Consultation launched at EDI Committee on 12 August. Excellent media coverage, inc. national/local press, STV and various BBC platforms. >1700 online survey responses and ~450 video views in 24 hours. • Pre-Consultation Report, press release, video and Member Briefing published/ circulated. See highland.gov.uk/TVL • Visitor Consultation commenced by Moffat Centre <p>Next period deliverables</p> <ul style="list-style-type: none"> • Monitor Full Consultation response rate and

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
			feedback <ul style="list-style-type: none"> • Contract manage/ support Visitor Consultation • Liaison with Scottish Government and Edinburgh Council • Preliminary research and investigation into logistics of different options
CP11 Project: Energy and Renewables	PS: Stuart Black PM: Martin Macdonald	<ul style="list-style-type: none"> • Deliver £500k saving, and take urgent action to respond to increasing energy costs (10-14% by 2020/21 = additional £1m+ spend) • Reduce energy consumption through compliance and behaviour change, and through rationalisation of Council property • Reduce energy costs through effective management of energy supply contracts • Reduce energy costs and generate income through the implementation of viable renewable schemes 	Period Highlights <ul style="list-style-type: none"> • Cross organisational workshop with HIE, NHS, UHI and HLH to identify commonality in strategic objectives and barriers faced held on August 28th • Solar - Grid restriction issues are impacting some sites. Good progress being made on wider programme. • Hydro - Working with Science Skills Academy and STEM to strengthen educational element (interactive screens, videos documenting history of the River Ness etc.). Workshop scheduled for early September including Glasgow Science Centre and Aberdeen Science Centre. • Salix - work progressing on LED replacement. • Battery storage - Consultant currently assessing estate (FOC) to identify suitable sites for further analysis. Opportunity for income through increased land lease as well as investment opportunity. • Work on behaviour change undertaken, and a strategy for closure of key offices over Christmas and New Year has been progressed. • Change Fund used to advertise post to assist with Energy Performance Certificates for our property.

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
			<p>Next period deliverables</p> <ul style="list-style-type: none"> • Continued roll-out of solar and SALIX projects. • Further discussion on behaviour change and communications necessary to ensure buy-in. • Report on grid restrictions and potential work required to influence Scottish Government will be prepared.
<p>CP12 Project:</p> <p>Asset Management, Property Rationalisation and Investment</p>	<p>PS: Malcolm Macleod PM: Graham Bull</p>	<ul style="list-style-type: none"> • Deliver efficiencies and reduce Council Estate to deliver £1.7m savings • Compliance and behaviour change through Corporate Landlord approach with all properties treated as Corporate assets and must be used to best effect (cost/service delivery), and through adoption of agile working that maximises usage of space (e.g. presumption of hot desking) <p>This project will specifically target the following objectives:</p> <ul style="list-style-type: none"> • Challenging/supporting and ensuring that adequate resource exists in legal and asset management (surveyors) to deliver a quicker and more efficient asset disposals programme • Implementing new ways of working to become more a more agile, modern workplace and reduce space requirements • Reducing the number of properties occupied by the Council, with a particular focus on those with poor condition ratings and high 	<p>Period Highlights</p> <ul style="list-style-type: none"> • Work undertaken with Scottish Futures Trust on changes to HQ. Agreed that they will work with the Council to deliver the working practices changes needed. • Work continued on identifying target properties to ensure delivery of this year’s challenging budget savings. <p>Next period deliverables</p> <ul style="list-style-type: none"> • HQ accommodation rationalisation work to progress at pace, with SFT involvement. • Engagement with High Life Highland on key property changes required.

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
		<p>backlog maintenance liabilities</p> <ul style="list-style-type: none"> • Ensuring that Community Asset Transfer process is carried out as efficiently and effectively as possible, with strong support provided for communities. • Ensuring that Community Asset Reviews are carried out with Community Planning Partners to ensure that opportunities for co-location are identified and delivered. • Ensuring that commercial opportunities for property investment, as identified through the Commercial Board, are actioned appropriately. • A smarter asset management system that accurately triggers rent reviews. 	
CP13 Project: ICT Development/Digital	PS: Steve Walsh PM: TBC	<p>The Council has embarked upon an ambitious and challenging programme of change to upgrade the ICT estate to a state of the art operating model. The programme includes:</p> <ul style="list-style-type: none"> • Migration to Microsoft Office 365 and Windows10, with a full device refresh programme, all underpinned by a comprehensive upgrade of the Councils' ageing network across schools and the Corporate estate. • Through communication and engagement, the Council will promote the efficient use of data, technology and applications that it has invested in. This will characterise digital and technology as a key enabler for 	<p>The savings element of the project is effectively delivered, as it was part of contractual savings.</p> <p>Period Highlights</p> <ul style="list-style-type: none"> • 3 Key milestones missed in February/July 2019. This has prompted action with Wipro management to revise the approach. New plan for refresh being finalised. • Network refresh – largely complete. • Corporate computer refresh – approx. 300 users refreshed. Councillor refresh mostly complete. Most key line of business applications tested and ready for use on Windows 10. Decision taken to not proceed with thin client in corporate – meaning more laptops for staff.

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
		<p>transformation across the Council and endeavour to deliver continuous service improvement in line with business objectives.</p> <ul style="list-style-type: none"> • Council Services will identify the right data structures, tools, applications and technologies to meet their business objectives. This in turn enables positive outcomes for its internal and external customers, which include citizens, pupils, staff and elected members alike. • The Council will use national and local government strategies, key legislative and other industry trends in the ICT sector. This includes Scotland wide programme of work being driven through the Local Government Digital Office. • To deliver savings of £2.15m 	<ul style="list-style-type: none"> • School computer refresh – Millburn Academy and Milton of Leys full pilots mostly complete. Other schools on hold until new term starts. • Chromebook rollout – completed 4 months ahead of schedule. Options for future sustainability and support being considered. • Digital Initiatives: • Corporate business intelligence – investigation with Microsoft and work package being scoped • CRM system project in development with replacement planned for go-live Q4 2020 • Commercial Waste processes for go-live in September 2019 • Customer Authentication (My Account 2) for go-live in Q4 2019 • Multiple workstreams progressing across Master Data Management, Robotic Process Automation, Microsoft 0365 Capabilities, Digital Process Review & Reporting on Digital through Power BI <p>Next period deliverables</p> <ul style="list-style-type: none"> • Further roll out of devices to Corporate users.
CP14 Project: Workforce Planning	PS: Eliane Barrie PM: N/A	<p>This project will specifically target the following objective:</p> <ul style="list-style-type: none"> • Developing a strategy for the Council around: vision and values, flexible workforce, leadership and Management training for all employees, sustainable 	<p>Period Highlights</p> <ul style="list-style-type: none"> • HR team finalising plan and work packages for each of the elements of the WFP Strategy in consultation with the PMO. • Presentation to Redesign Board on progress with the outcomes of the Agency/Temporary Workers

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
		<p>workforce, transition and C&L Management Restructure.</p> <ul style="list-style-type: none"> • Review of Terms and Conditions • Programme/Project Board for Workforce Planning with workstreams for each of the key themes <p>Key to enabling staff related savings to be taken and sustained</p>	<p>Peer Review Recommendations.</p> <p>Next period deliverables</p> <ul style="list-style-type: none"> • Continued roll out of Workforce Planning Strategy.
CP15 Project: Redesign	PS: Malcolm Macleod PM: N/A	<ul style="list-style-type: none"> • Savings of £1.38m to be delivered which are not covered elsewhere in the change programme. • Will include work around service budget peer review challenge as a separate budget management exercise. • New redesign reviews on catering, cleaning & FM and Engineering Services to be progressed ASAP • Includes ensuring the delivery of completed redesign reviews to maximise benefits (that are not covered through other project streams). • Lean reviews will continue to be identified and benefits realised (in addition to those captured above). 	<p>Period Highlights</p> <ul style="list-style-type: none"> • Work continued on Engineering Services review with focus on best practice being used elsewhere. • Work continued on Catering Services Review – update report given to Redesign Board workshop on 20th August 2019 – involvement from APSE has supported the Council team to highlight opportunities for process changes and potential commercial opportunities. • Work progressing on project relating to Cleaning Services. APSE appointed to help develop commercial opportunity to in-source more of our housing voids cleaning work. • Lean team being put together to look at Bereavement Services. <p>Next period deliverables</p> <ul style="list-style-type: none"> • Continued work to finalise ongoing reviews and identify further opportunities.
CP16 Project:	PS: Alison Clark	<ul style="list-style-type: none"> • Delivery of £700k income generation - £300k 	Period highlights

Project	Project Sponsor/ Project Manager	Scope and Purpose of Project	Update on Progress
Income Generation	PM Amy Prior	<p>income target Feb 2019, £400k unmet target 2018/19 (in relation specifically to car parking income).</p> <ul style="list-style-type: none"> • Implementation of a new policy approach to income generation at a local level within the context of increasing local decision making and involvement of communities. <p>Implementation of the approach agreed by Redesign Board in June 2018</p>	<ul style="list-style-type: none"> • Engagement on potential new car parking opportunities has continued. • Roll out of <p>Next period deliverables</p> <ul style="list-style-type: none"> • Continued work to roll out new opportunities as soon as practicable.

Change Fund – Progress Report June 2019

Projects	Status	Committed Cost to Change Fund	Running Total
			£2,500,000
<u>Education Transformation</u>			
5 X HTs + Expert Advisor	Appointed	£500,000	£2,000,000
<u>Care Placement Services Programme</u>			
1 X Project Manager	This post has been recruited to from within exiting CET Resources, so no longer required from the Change Fund.		
1 X Business Analyst	No longer required		
2 X Social Workers	Out to recruitment	£100,000	£1,900,000
<u>Trades Review</u>			
1 X Project Manager	Interviews completed and has been filled from 10 June 2019.	£53,000	£1,847,000
<u>Transport and Grey Fleet</u>			
1 X Project Manager	Interviews completed and has been filled from 10 June 2019	£53,000	£1,794,000
1 X Business Analyst	Not being progressed at present so no requirement from Change Fund.		
<u>Waste Strategy</u>			
External Advice	External advice has now been sought on the Council's approach to Commercial Waste. The team is now considering the recommendations and will move to implement as soon as possible.	£60,000	£1,734,000
<u>Income Generation including Visitor Levy</u>			
1 X Project Lead	Interviews complete and has been filled from 30 May 2019.	£53,000	£1,681,000
1 X Project coordinator	Not being progressed at present so no requirement from the Change Fund.		
<u>Corporate Support</u>			
2 X HR Officers	Both posts filled and commenced from 3.6.19 and 10.6.19 2 HROs HC7 12 months @ £31,012 x 2	£62,024	£1,618,976
2 X Learning and Development Officers	2 L&D Adviser HC07 12 months. Only one filled – seconded by Depute HT @	£48,000	£1,570,976

	£48K second post will not be filled		
Attendance Management Officer	1 ASO HC07 12 months @ £31,012 Filled and commenced 3.6.19	£31,012	£1,539,964
Talent Attraction Manager	1 Talent Manager HC10 12 months Filled and commenced 3.6.19	£43,589	£1,496,375
<u>Visitor Levy</u> Procure independent engagement expertise	The Moffat Centre has been appointed to assist with the ongoing levy consultation.	£23,000	£1,473,375
<u>Education Transformation</u> Project/Programme Manager	Following a review, this project is being resourced from existing resources so there is no requirement to take up the Change Fund allocation.		
<u>ASN</u> Project Manager	Interviews have been held and post has been filled.	£53,000	£1,420,375
Parent and Pupil Advocacy posts – communication support for communities and parents with children with ASN	Not yet progressed.	£22,000	£1,398,375
<u>Enhanced Communications</u> Communications resource to support the Change Programme	Recruitment now underway.	£60,000	£1,338,375
Senior Health post at Head of Service level	Appointed end August	c£80,000	£1,258,375
Redesign Peer Review of Catering	The Association of Public Sector Excellence (APSE) has been commissioned to assist the ongoing Peer Review of Catering Services. His work is ongoing and delivering against the objectives set to identify potential process and system improvements or new commercial opportunities. An update was provided to the August Redesign Board.	£16,000	£1,242,375
External research and	In June the Council approved £75k of	£75,000	£1,167,375

advice on Community Services budgets	<p>funding from phase 3 of the fund to resource specialist external advice for a comprehensive review of Community Services budgets, support the roll out of additional budget responsibility to local committees, including the further development of local income generation opportunities. Since then a brief for this work has been produced. The focus of external support is to be on non-staffing expenditure as that accounts for £86m of annual expenditure (57% of the gross service budget of £151m) and as corporate controls are in use on staffing expenditure. This is expected to identify in-year savings and future savings ideas. External support is also sought to review the budget arrangements for place-based service planning, drawing on experience elsewhere in the UK, supporting a new local pilot (currently being defined but focused on total resources around depots and explained further below) and critically reviewing the income and expenditure from current disaggregated budgets in order to understand surplus and deficits for each local committee area. Work is underway to identify which organisation can support this work in the timescales required. This should be confirmed this month.</p>		
Effective Governance in financial and performance reporting	<p>We are working on a collaborative approach between the Corporate Performance Team, ICT Services and Microsoft with weekly telephone conferences. Initial training was delivered by Microsoft on relevant products on 13th August. A three day training course on Power BI (data visualisation) will be delivered by Microsoft on 27-29th August to ensure relevant performance and ICT staff have the skills to work with Microsoft on a proof of concept (POC) by the end of September. A further visit to Aberdeen City Council is planned for early September to support work on POC and on work with CIPFA on the review and accreditation of the Council's governance processes. Work so far has not incurred cost including training on 27-29th September with</p>	£70,000	£1,097,375

	Microsoft.		
Suicide Prevention support	A planning meeting has taken place with NHS and Police partners to scope the terms of the research and the Public Protection Chief Officer's group will be asked to agree the terms of reference at their next meeting in early September. As noted in the paper to Council in June, the focus will be on reviewing and assessing current evidence across partner data sources and information and review successful intervention activity related to suicide prevention both nationally and internationally.	£15,000	£1,082,375
Office moves and changes - HQ	The HQ project is now being implemented, and Scottish Futures Trust is assisting the Council in the implementation of the project, particularly with respect to the culture change required to adopt new methods of working. There has been no spend against this commitment to date.	£30,000	£1,052,375
Commercial and Conveyancing Solicitors	Posts were advertised over the summer and both solicitors have now been appointed. This will greatly assist in the delivery of property rationalisation and disposal and in assisting with commercial investment projects.	£60,000	£992,375
Energy Performance Certificates resource	Post will be advertised shortly.	£82,000	£910,375
Total		£1,589,625	£910,375