

Agenda Item	<b>7</b>
Report No	<b>RES/25/21</b>

## THE HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 25 August 2021

**Report Title:** Transformation Service - Revenue and Performance Monitoring to 30 June 2021

**Report By:** Executive Chief Officer -Transformation

### 1. Purpose/Executive Summary

- 1.1 This report provides members with an outturn monitoring statement for the 2020/21 financial year, as well as the first reported position for the new 2021/22 financial year, for the Quarter to end June 2021.
- 1.2 In relation to the 2020/21 outturn, as recently reported to the 24 June 2021 Council meeting, the Transformation Service had an underspend of £0.072m (4% of the budget).
- 1.3 In relation to Quarter 1 of the 2021/22 financial year, the forecast is an underspend of £0.054m (0.4% of the budget) which from 21/22 also includes the ICT budget reflecting the changes as part of the Senior Leadership Redesign approved at The Highland Council on 13 May 2021.
- 1.4 In addition to reporting to members the revenue budget position for which the Service has direct responsibility, contextual information is also incorporated into this report. Bringing together revenue and performance into a single monitoring report supports financial governance, informs decision making, and enables improvement actions to be identified. This approach is also intended to improve the accessibility of this monitoring report for Members and the wider readership by embedding contextual information, enhancing transparency, and enabling an informed view to be made of overall financial and service delivery performance for the Service.

### 2. Recommendations

- 2.1 Members are asked to:
  - i. Note the revenue outturn position for the 20/21 financial year

- ii. Consider the 21/22 revenue monitoring position for the period to 30 June 2021
- iii. Consider the progress update provided in relation to budget savings delivery
- iv. Consider the performance information

### 3. Implications

- 3.1 **Resource:** The budget of £13.758m available to the Transformation Service is approximately 2% of the total general fund for the totality of the Council's Services. Further information on the Service's resources are detailed in the Service Plan that was approved by this Committee on 26 May 21 (the link to the Service Plan can be found [here](#)).
- 3.2 **Risk:** Service risks have been identified and documented along with risk management actions, and these will be tracked through the Council's internal processes. ICT operational risks are managed jointly with Wipro and are monitored through monthly ICT service reviews. A component of the contract with Wipro is the outsourcing of certain ICT technical and cybersecurity risks, whereby Wipro take responsibility for management and mitigation with input from ICT Services as required. Through Project Dochas, responsibility for these risks will move back to the Council and the new ICT structure takes this into account.
- 3.3 There are no Equalities, Legal, Climate Change/Carbon Clever, Rural, or Gaelic implications arising as a direct result of this report.

### 4. Transformation Service Revenue Budget Outturn 2020/21

- 4.1 The Council meeting on 24 June 21 included information on the near-final outturn for the 2020/21 financial year. This report provides the outturn report for the Transformation Service which is unchanged from the position reported on 24 June 21.
- 4.2 The outturn for the year was an underspend of £0.072m (4% of the budget). **Appendix 1** sets out the analysis of the outturn across the Service budget headings. The underspend is primarily staffing-related. The final outturn is also largely in line with the previous estimated outturns reported during the year (£0.069m underspend).

### 5. Transformation Service Revenue Budget 2021/22

- 5.1 This section provides narrative and budget information for each of the activities detailed in the monitoring report at **Appendix 2**.
- 5.2 The current estimated outturn is an underspend of £0.054m. The underspend is staffing-related.
- 5.3 Within ICT which, as part of Project Dochas, is seeing ongoing recruitment to new posts and the forecast outturn is driven largely by predicted start dates for new staff. These dates are reviewed on a regular basis as the recruitment process progresses. A detailed update on Project Dochas is reported to a separate item within today's agenda. The Transformation

Service Revenue budget also includes the Council's Transformation budget of £2.260m. Members will be aware that as part of the Council's 21/22 Health & Prosperity Strategy, an ambitious Improvement and Transformation Programme was approved on 4 March 2021 including the delivery of forecasted cashable benefits £18.7m over 24 months. Progress updates are reported to The Recovery, Improvement & Transformation Board (RITB) with the latest update being considered on 23 August 21.

5.4 Within Transformation, the underspend follows existing staff being successful in securing time-limited posts in the overall Transformation Programme which also provides further developmental opportunities and experiences for these staff.

## 6. Transformation Service Budget Savings Delivery

6.1 **Appendix 3** provides an assessment of the progress to deliver the approved budget savings. All savings are on target to be delivered totalling £0.438m.

## 7. Performance Information

7.1 As described in Section 1 of this report, a single report containing both revenue and performance information has several benefits. In addition to the established ICT measures that are reported in the following sections, a new service-wide performance framework is being developed drawing on a range of data, external reports and self-evaluation, and refreshing KPIs to best fit the objectives, standards and targets of the Service.

7.2 Wipro Service business-as-usual contract performance is measured via a series of Key Performance Indicators (KPIs). The table below shows the trend for the KPIs for the four months up to May 2021. The table shows performance against target levels. KPI-15 is a composite measure of a further 20 subsidiary Performance Indicators (SPIs). Positively, target levels are being met with the exception of the Help Desk contact answer. The answer time is for 90% of calls to be answered within 60 seconds. April performance was 87.84% with May at 70.47%. This coincided with an increased contact with the Service Desk team preparing for the transition of service (as part of Project Dochas) and staff transfer. This reduction in performance is regretful; positively performance has since returned to target and close monitoring will continue.

	Description	Feb-21	Mar-21	Apr-21	May-21
KPI-01	Severity 1 incident response	Green	Green	Green	Green
KPI-02	Severity 2 incident response	Green	Green	Green	Green
KPI-03	Severity 3 incident response	Green	Green	Green	Green
KPI-04	Severity 4 incident response	Green	Green	Green	Green
KPI-05	Rolling number of Severity 1 incidents	Green	Green	Green	Green
KPI-06	Monthly end user satisfaction	Green	Green	Green	Green
KPI-07	Help Desk contact answer	Green	Green	Red	Red
KPI-08	Infrastructure availability	Green	Green	Green	Green
KPI-09	Managed applications availability	Green	Green	Green	Green
KPI-10	Managed applications interruptions	Green	Green	Green	Green
KPI-11	First time fix	Green	Green	Green	Green
KPI-12	Catalogue implementation – moves/changes etc	Green	Green	Green	Green
KPI-13	Change request impact assessments	Green	Green	Green	Green
KPI-14	Data centre network response time	Green	Green	Green	Green

KPI-15	Composite SPI achievement	Green	Green	Green	Green
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- 7.3 As part of the efforts to support service delivery during COVID, additional services were added support citizens and businesses such as online bookings for Household Waste Recycling Centres, Fuel support for Highland households and business support grants. COVID-related forms accounted for approximately 30% (24,000) of total online transactions with the most popular online services including rent payments, Council Tax payments and school meal payments. A progress report on Digital Transformation is also reported to today's agenda.

Designation: Executive Chief Officer Transformation

Date: 10/08/2021

Authors: Rachel Rae, Trainee Accountant  
Matt Bailey, Business Change Team Manager

## Appendix 1 - Transformation Service Revenue Budget Outturn 2020/21

### TRANSFORMATION SERVICE Revenue Expenditure Monitoring Report

1 April 2020 to 31 March 2021

	Notes	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
<b>BY ACTIVITY</b>					
Change Fund		1,157	1,157	1,157	(0)
Transformation Team		555	627	555	(72)
<b>Total</b>		<b>1,712</b>	<b>1,784</b>	<b>1,712</b>	<b>(72)</b>
<b>BY SUBJECTIVE</b>					
Staff Costs		1,679	1,722	1,679	(44)
Other Costs		54	62	54	(8)
<b>Gross Expenditure</b>		<b>1,732</b>	<b>1,784</b>	<b>1,732</b>	<b>(52)</b>
Grants		0	0	0	0
Other Income		(20)	0	(20)	(20)
<b>Total Income</b>		<b>(20)</b>	<b>0</b>	<b>(20)</b>	<b>(20)</b>
<b>Total</b>		<b>1,712</b>	<b>1,784</b>	<b>1,712</b>	<b>(72)</b>

#### Notes

1. %age of Annual Expenditure      Dec 20/21      **96%**

## Appendix 2 - Transformation Service Revenue Budget 2021/22

### TRANSFORMATION SERVICE Revenue Expenditure Monitoring Report

1 April 2021 to 30 June 2021

	Notes	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>					
Recovery, Improvement & Transformation Fund		240	2,260	2,260	0
Transformation Team		89	715	666	(49)
ICT Services		3,588	10,783	10,778	(5)
<b>Total</b>		<b>3,916</b>	<b>13,758</b>	<b>13,704</b>	<b>(54)</b>
<b>BY SUBJECTIVE</b>					
Staff Costs		904	3,194	3,146	(48)
Other Costs		3,385	12,072	12,066	(6)
<b>Gross Expenditure</b>		<b>4,289</b>	<b>15,266</b>	<b>15,212</b>	<b>(54)</b>
Grants		0	0	0	0
Other Income		(373)	(1,508)	(1,508)	0
<b>Total Income</b>		<b>(373)</b>	<b>(1,508)</b>	<b>(1,508)</b>	<b>0</b>
<b>Total</b>		<b>3,916</b>	<b>13,758</b>	<b>13,704</b>	<b>(54)</b>

#### Notes

1. %age of Annual Expenditure Jun 21/22 **28%**

### Appendix 3 - Transformation Service Budget Savings Delivery

Service	Savings Description	2021/22 Savings £m	2022/23 Savings £m	2023/24 Savings £m	Total Savings £m	Status R A G
Transformation	Review of 3rd party ICT contracts (not core WIPRO contract)	0.050			0.050	<b>G</b>
Transformation	Negotiated price reduction on SWAN contracts	0.080			0.080	<b>G</b>
Transformation	One-off saving on SWAN contracts prior to 22/23 contract reprocurement	0.130	-0.130		0.000	<b>G</b>
Transformation	Legacy standalone cybersecurity budget, reducing as cybersecurity becomes a core element of the ICT budget	0.050			0.050	<b>G</b>
Transformation	Third Party Software Contracts	0.050			0.050	<b>G</b>
Transformation	Delete 1fte vacant post	0.059			0.059	<b>G</b>
Transformation	Review and removal of discretionary spend	0.019			0.019	<b>G</b>
<b>Service Total</b>		<b>0.438</b>	<b>-0.130</b>	<b>0.000</b>	<b>0.308</b>	