

Agenda Item	6.
Report No	RES/04/22

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 26 January 2022

Report Title: Transformation Service - Revenue and Performance Monitoring to 31 December 2021

Report By: Executive Chief Officer – Communities and Place

1. Purpose/Executive Summary

- 1.1 This report provides members with an outturn monitoring statement for Quarter 3 for 2021/22.
- 1.3 For 2021/22, the forecast is an underspend of £0.158m (1.1% of the budget), a change to the £0.131m forecasted underspend reported for Quarter 2 to this Committee on 24 November 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. As reported this Committee on 24 November 2021, bringing together revenue and performance into a single monitoring report supports financial governance, informs decision making, and enables improvement actions to be identified.

2. Recommendations

- 2.1 Members are asked to:
 - i. Consider the 21/22 revenue monitoring position for the period to 31 December 2021 and latest forecasted outturn
 - ii. Consider the progress update provided in relation to budget savings delivery
 - iii. Consider the performance information

3. Implications

- 3.1 **Resource:** The budget of £13.663m for the Transformation Service and 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 2021 (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, loaded into the Council's Performance and Risk Management System (PRMS) for ongoing monitoring. ICT operational risks are presently 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 is moving 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 2021/22

- 4.1 This section provides narrative and budget information for each of the activities detailed in the monitoring report at **Appendix 1**.
- 4.2 The forecasted outturn as at the end of Quarter 3 is an underspend of £0.158m (1.1% of the Service's budget). The underspend is primarily staff vacancies and a reduction in costs pertaining to the SWAN contract. The movement from Quarter 2 (£0.131m underspend) is primarily attributable to additional staffing underspends in ICT Services. Certain assumptions were made at the beginning of the year around start dates for new staff joining the team through Project Dòchas and the exact numbers of staff transferring via TUPE. Although mostly accurate there has been some variation due to delays for some new starts and internal promotions which have then created new vacancies. These are temporary issues which are expected to be fully resolved next year as the team comes up to full complement.
- 4.3 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 next update being considered by this Board on 28 February 2022.

5. Transformation Service Budget Savings Delivery

- 5.1 **Appendix 2** provides an assessment of the progress to deliver the approved budget savings. All savings are on target to be delivered totalling £0.438m.

6. Performance Information

6.1 ICT Services

- 6.1.1 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.
- 6.1.2 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 November 2021.

	Description	Aug-21	Sept-21	Oct-21	Nov-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	Red	Red	NA	NA
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	NA
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	Red	Green	Green	Red

- 6.1.3 The table shows performance against target levels. KPI-15 is a composite measure of a further 20 Subsidiary Performance Indicators (SPIs). Target levels are still being met for all KPIs except for KPI-15 which has been affected by delays in some server operating system upgrades. This work is in progress and likely to be completed by the date of this Committee meeting.
- 6.1.4 KPI-07 and KPI-11 relate to services now brought in-house and therefore Wipro are no longer reporting on them, hence they are showing as Not Applicable in the table above at the point that transition of service happened. It is positive to note however that the available performance information for KPI-7 shows very good performance with calls being handled well within target by the in-house team and more detailed information can be found at 6.1.5. A new contract KPI reporting structure has been agreed with Wipro that will start in April 2022, reflecting the services that will remain outsourced.
- 6.1.5 New KPIs are being developed to measure the performance of the in-house ICT service and a full description will be reported to this Committee after the end of transition in April 2022. Some of these KPIs are relevant now as the Service Desk and Field Services are in-house and the table below shows these KPIs, target performance levels and some stats on the numbers of incidents and

requests being handled by the Service Desk. The data spans the transition period during which service was being brought in-house and therefore does not yet show the true performance of the in-house service. Nonetheless, the initial trend is very positive with an overall improving performance, even with a high level of incidents being reported.

Measure	Target Performance			Actual Performance		
Description	Red	Amber	Green	Sep-21	Oct-21	Nov-21
% Satisfied customers	80%	85%	90%	92.87%	90.89%	94.94%
% Service Desk calls abandoned	10%	7%	5%	N/A	N/A	3.38%
Average Service Desk wait time	120s	90s	60s	N/A	N/A	34s
% Incidents resolved within 24 hours	50%	60%	70%	65.36%	70.65%	75.63%
% Incidents resolved within 7 days	70%	80%	90%	83.33%	84.80%	89.45%
% Incidents resolved within 28 days	90%	95%	100%	97.54%	95.73%	95.99%
Number of incidents opened	N/A	N/A	N/A	4209	3323	5242
Number of incidents closed	N/A	N/A	N/A	4444	3349	5310
Number of requests opened	N/A	N/A	N/A	1662	1521	1733
Number of requests closed	N/A	N/A	N/A	1542	1441	1473

6.2 Service Plan

6.2.1 The KPIs and Improvement actions contained within the Service Plan are loaded into PRMS, the Corporate performance system, for ongoing monitoring.

6.2.2 Some actions are annual as are some of our measures such as those related to staff training, inductions and ERDs which managers are working towards on an ongoing basis, and the reporting due at the end of Q4.

6.2.3 Positively, overall performance is on track with some actions such as the reporting of the Transformation Programme and associated governance all established as business as usual.

6.3 Attendance Management

Average Working Days lost per quarter per employee	2021/22		
	Q1	Q2	Q3
Highland Council (non-teaching)	1.8	1.5	-
Transformation Service	0.4	0.4	-

6.3.2 At the time of writing, data is not available for Q3. Quarter 1 and 2 shows absence reported is significantly lower in the Service than the Highland Council (non-teaching) position overall.

6.3.3 The Transformation Service is proactive in their absence monitoring and endeavours to keep staff absence as low as possible by following the Council's HR policies and guidance, implementing measures such as "return to work" interviews and discussions with staff, with valuing staff and their health and well-

being as an important ethos in our new service, and in line with the Council's Connected values of supporting our staff.

Designation: Executive Chief Officer, Communities and Place

Date: 06 January 22

Authors:

Matt Bailey, Business Change Team Manager

Lucy Lallah, Business Management Analyst

Jon Shepherd, Head of ICT & Digital Transformation

Rachel Rae, Trainee Accountant

Appendix 1 - Transformation Service Revenue Budget 2021/22

TRANSFORMATION SERVICE Revenue Expenditure Monitoring Report

1 April 2021 to 31 December 2021

	Notes	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY					
Recovery, Improvement & Transformation Fund		1,009	2,260	2,260	0
Transformation Team		240	624	517	(107)
ICT Services		9,821	10,784	10,733	(51)
Total		11,070	13,668	13,510	(158)
BY SUBJECTIVE					
Staff Costs		3,366	3,253	3,144	(109)
Other Costs		9,414	11,923	11,874	(49)
Gross Expenditure		12,780	15,176	15,018	(158)
Grants		0	0	0	0
Other Income		(1,710)	(1,508)	(1,508)	0
Total Income		(1,710)	(1,508)	(1,508)	0
Total		11,070	13,668	13,510	(158)

Notes

1. %age of Annual Expenditure	Dec 21/22	81%
	Dec 20/21	91%

Appendix 2 - 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	G
Transformation	Negotiated price reduction on SWAN contracts	0.080			0.080	G
Transformation	One-off saving on SWAN contracts prior to 22/23 contract reprocurement	0.130	-0.130		0.000	G
Transformation	Legacy standalone cybersecurity budget, reducing as cybersecurity becomes a core element of the ICT budget	0.050			0.050	G
Transformation	Third Party Software Contracts	0.050			0.050	G
Transformation	Delete 1fte vacant post	0.059			0.059	G
Transformation	Review and removal of discretionary spend	0.019			0.019	G
Service Total		0.438	-0.130	0.000	0.308	