

Agenda Item	5.a
Report No	RES/26/22

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 1st December 2022

Report Title: Depute Chief Executive Service – Revenue, Capital and Performance Monitoring Quarter 2 – 1 April 2022 to 30 September 2022

Report By: Depute Chief Executive

1. Purpose/Executive Summary

- 1.1 This report provides Members with the 2022/23 Quarter 2 monitoring statement for the Depute Chief Executive Service. The total Service budget for 2022/23 is £12.2m with a predicted end of year underspend forecast of £0.067m.
- 1.2 This report also provides an overview of the Directorate performance and the progress being made to develop performance indicators to track delivery of the Depute Chief Executive Directorate Service Plan improvement priorities.

2. Recommendations

- 2.1 Members are asked to:
- i. Consider the latest forecasted outturn for Quarter 2 for the 2022/23 financial year.
 - ii. Consider the performance information provided at Section 7.

3. Implications

- 3.1 **Resource:** The budget of £12.200m for the Depute Chief Executive Service is approximately 1.8% of the total general fund for the totality of the Council's Services. Further information on the Service's resources are detailed in the draft [Depute Chief Executive Service Plan](#).
- 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 where appropriate and are monitored

through monthly ICT service reviews. Following the in-sourcing of much of the ICT service, responsibility for most ICT technical risks is now with the Council and the new ICT structure takes this into account. Certain aspects relating to the data centre and cybersecurity still remain with Wipro.

- 3.3 There are no Equalities, Legal, Climate Change/Carbon Clever, Rural, or Gaelic implications arising as a direct result of this report.

4. Depute Chief Executive Service Revenue Budget 2022/23

- 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 2 is an underspend of £0.067m (0.55% of the Service's budget). At the end of Quarter 1 an underspend of £0.006m was forecast (0.05% of the Service's budget).

- 4.3 The increase in the predicted underspend is largely due to the difficulty in recruiting to posts. Although a significant proportion of the new ICT team is now in place and delivering service, some specialist roles are still proving difficult to recruit to. Assumptions are made about when the posts are likely to be filled, although there could certainly be further delays resulting in a changed forecast in the next quarter.

- 4.4 The monitoring report in **Appendix 1** splits out staff and other costs, along with income. Whilst the ICT budget may appear to have an overspend in other costs and a higher level of income than budgeted for, this simply reflects the way that some costs (e.g., for printing and mobile phones) are paid for centrally and then re-charged to users. At this stage in the year there are still costs to be recharged and so the full picture will not become apparent until later in the year once these have been worked through Service budgets.

5. Depute Chief Executive Service Capital Budget 2022/23

- 5.1 The only area of capital budget applicable to the Depute Chief Executive Service is the line in the capital programme for ICT Transformation. This covers the supply of Chromebooks, Windows desktops and laptops, network and telephony equipment and all other related ICT hardware. The ICT capital programme, post in-sourcing of the function, is now a rolling refresh of equipment with Chromebooks and laptops accounting for the bulk of the expenditure

- 5.2 **Appendix 3** provides the capital forecasted outturn for Q2 2022/23. At present, the forecast is for all the allocated capital budget to be spent in 2022/23 in line with the planned rolling refresh programme. However, this is dependent on being able to obtain the quantities of equipment needed in the required timescales. Experience over the last 2 years has shown very extended supply times for ICT equipment as a knock-on effect of the pandemic.

6. Depute Chief Executive Service Budget Savings Delivery

- 6.1 **Appendix 2** provides an assessment of the progress to deliver the approved budget savings. All savings are on target to be delivered totalling £0.307m.

7. Performance Information

7.1 ICT Services

7.1.1 The in-house ICT service has been introduced on a phased basis starting in October 2021. From 1st April 2022, the core service is now fully in-house with only management of the data centre remaining outsourced to Wipro. A full suite of performance measures will be developed over the coming year for the in-house service. Reported below are the measures captured by the in-house ICT Service Desk, along with the new KPIs relating to the remaining Wipro contract.

7.1.2 The table below shows the performance of the in-house ICT Service Desk for the 6-month period up to October 2022. The table also shows volumes of incidents, requests and Chromebook repairs as an indication of the scale of work being picked up by the Service Desk and supporting teams.

Several positive messages can be taken from the data shown:

- Customer satisfaction remains high and well exceeds the target.
- Service Desk call wait times are all within the target except for August.
- The majority of incidents (i.e. issues that users are experiencing) are resolved within 7 days.

There are still challenges to overcome as the service bed in. Dips in performance have been seen when the schools returned in August leading to short sharp increase in demand; and also as a result of the rollout of a lot of very large software updates that caused problems. These updates were part of the activity to catch up with routine management operations that had not progressed quickly enough during the previous contractual arrangements.

Measure	Target Performance			Actual Performance					
	Red	Amber	Green	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
% Satisfied customers	80%	85%	90%	95.6%	96.3%	95.9%	94.9%	95.5%	94.8%
% Service Desk calls abandoned	10%	7%	5%	4.9%	8.1%	4.0%	9.9%	4.9%	5.3%
Average Service Desk wait time	120s	90s	60s	42s	53s	37s	69s	40s	46s
% Incidents resolved within 24 hours	50%	60%	70%	54.3%	58.5%	63.5%	65.6%	53.6%	61.1%
% Incidents resolved within 7 days	70%	80%	90%	78.8%	82.8%	82.5%	88.9%	82.1%	85.7%
% Incidents resolved within 28 days	90%	95%	100%	95.6%	97.1%	95.0%	96.5%	96.1%	96.1%
Number of Active Incidents	N/A	N/A	N/A	631	570	465	687	562	638
Number of Active Requests	N/A	N/A	N/A	1896	1645	1788	2848	2807	2852
Number of incidents opened	N/A	N/A	N/A	3091	3320	1626	3811	3088	2512
Number of incidents closed	N/A	N/A	N/A	3235	3384	1751	3582	3134	2446

Number of requests opened	N/A	N/A	N/A	1636	1810	1630	2920	2332	1811
Number of requests closed	N/A	N/A	N/A	1409	1889	1286	2339	2276	1679
Number of Chromebook repairs opened	N/A	N/A	N/A	225	306	15	247	379	212
Number of Chromebook repairs closed	N/A	N/A	N/A	206	385	523	576	300	154

7.1.3 The Wipro contract performance is measured by a set of KPIs as shown in the table below. These KPIs have been measured from April 2022 – the point at which the majority of service transitioned in-house. The measures are largely technical and relate to management of infrastructure in the data centre. Figures are given for the 4 months up to August 2022.

The table below does show that actions taken to resolve issues around backups and out of date software have had a positive effect. Only 1 KPI remained at red in August and the issues will be shown as resolved in the next report.

	Description	May-22	Jun-22	Jul-22	Aug-22
KPI-01	Severity 1 incident resolution	Green	Green	Green	Green
KPI-02	Severity 2 incident resolution	Green	Green	Green	Green
KPI-03	Severity 3 incident resolution	Green	Green	Green	Green
KPI-04	Severity 4 incident resolution	Green	Green	Green	Green
KPI-05	Rolling tally of Severity 1 incidents	Green	Green	Green	Green
KPI-06	Wintel server software release	Red	Red	Green	Green
KPI-07	Wintel database software release	Red	Red	Red	Red
KPI-08	Infrastructure availability	Green	Green	Green	Green
KPI-09	Server patching	Green	Green	Green	Green
KPI-10	System backups	Red	Green	Green	Green
KPI-11	Core infrastructure software	Green	Green	Green	Green
KPI-12	Catalogue implementation	Green	Green	Green	Green

7.2 Directorate Service Plan

7.2.1 The actions and KPIs covered by the former Transformation Service Plan have now been incorporated into the Depute Chief Executive Service Plan with the exception of actions now completed. Actions completed this year from the Transformation Service Plan are:

- Transition of ICT service from Wipro on time and on budget.
- New ICT Services team structure in place, although recruitment to some vacant posts continues to be a problem.
- ICT and Digital Strategies approved.
- Identified further Transformation projects to support medium-term financial planning.
- Continued to support the improvement of corporate project delivery

Most actions and PIs in the Directorate Service Plan are on track. Where there is slippage, this is reported in PRMS with supporting commentary, and by using PRMS the team can track and act on slippage in a timely manner.

Current areas of slippage:

- Full ICT Team structure in place: slippage due to non-recruitment to vacant posts
- Revised cybersecurity services in place: target date at risk – the Council is engaged in UK-wide procurement exercises

7.2.2 The following paragraphs provide performance information for the Directorate as outlined in the [Depute Chief Executive Service Plan](#) approved by Committee on 8th September 2022. The Service Plan's actions and performance indicators have been entered in the Performance and Risk Management System (PRMS), and with the support and guidance of the Corporate Performance Team, the detail and presentation of future reporting is being developed and will be available for Quarter 3. Consideration has been given to developing performance indicators to evidence achievement of actions in the plan, which will also highlight any slippage and need for review, allowing for continuous improvement.

This includes:

- Reporting approved projects through Change & Improvement Board monthly, and to Redesign Board/Strategic Committees/Council – new PI – 80% of Transformation projects meeting timescales
- Internal stakeholder surveys and engagement reported annually
- Windows devices functional and receiving all security updates – new PI: Q1 23/24 90%, Q2 23/24 95%, Q3 23/24 100%
- Revised cybersecurity services in place – extended target date July 2023, due to external national contracting factors
- Reduce data centre storage/backup – change from PI to action/target date, due to the nature of the process
- New SWAN contract implemented – target date plus follow-up action for implementation
- New corporate ICT finance model in place – model agreed by current target date plus follow-up action for implementation
- ICT infrastructure in place to support integrated care and health
- Plan for new website arrangements to be in place – will be part of a Council-wide Connected Customers Redesign project, plus follow-up action for implementation
- Agreed, adopted, and implement Information Governance Strategy – transferred to Performance & Governance Service Plan

7.3 Corporate Performance Indicators

7.3.1 The following table provides performance reporting for this Directorate's Corporate Priorities, as listed below.

- Directorate staff sickness absence trends and targets (contribution to nationally benchmarked KPI)
- Directorate FOI performance against targets
- Directorate Complaints

		COUNCIL	DCE Q4 21/22	DCE Q1 22/23	DCE Q2 22/23
Absence	Average number working days per employee lost through sickness absence	1.89	0.73	2.17	1.40
FOI Legislative	FOI - Requests within Legislative Timescale	82%	73 %	100 %	58 %
Complaints Frontline	Complaints Frontline (previously Stage 1) - 5 days	89.6%	0	0	0
P5 Complaints Investigation	Complaints Investigation (previously Stage 2) - 20 days	32.1%	0	100.0 %	0

8. Risks

- 8.1 The Directorate's management team is conducting a review of service delivery risks. In addition, the revised Corporate Risk Plan is being considered by the Audit and Scrutiny Committee on 30 November and any Directorate owned or supported corporate risks will be picked up in the Directorate Service Plan. This is a continuous process and Committee will be informed of any significant change that might impact on the delivery of the Directorate Service Plan.

Designation: Depute Chief Executive

Date: 21 November 2022

Authors:

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Appendix 1 - Depute Chief Executive Service Revenue Budget 2022/23

DEPUTE CHIEF EXECUTIVE Revenue Expenditure Monitoring Report

1 April 2022 to 30 September 2022

	Notes	£000 Actual Year To Date	£000 Annual Budget	£000 Year End	£000 Year End	Variance Analysis		
						£'000 Staff Costs	£'000 Other Costs	£'000 Income
BY ACTIVITY								
Recovery, Improvement & Transformation Fund		394	4	4	0	0	0	0
Transformation Team		403	787	758	(29)	(75)	46	0
ICT Services		7,597	11,409	11,371	(38)	(608)	1,290	(720)
Total		8,394	12,200	12,133	(67)	(683)	1336	(720)

BY SUBJECTIVE

Staff Costs	3,402	6,986	6,303	(683)
Other Costs	5,697	6,722	8,058	1,336
Gross Expenditure	9,099	13,708	14,361	653
Grants	0	0	0	0
Other Income	(705)	(1,508)	(2,228)	(720)
Total Income	(705)	(1,508)	(2,228)	(720)
Total	8,394	12,200	12,133	(67)

Notes

1. %age of Annual Expenditure	Sep 22/23	69%
	Sep 21/22	53%

Appendix 2 – Depute Chief Executive Service Budget Savings Delivery

Service	Savings Description	2022/23 Savings £m	2023/24 Savings £m	2024/25 Savings £m	Total Savings £m	Status R A G
Transformation	Review of SWAN budget and costs	0.187			0.187	G
Transformation	Review of specialist software/toolsets	0.100			0.100	G
Transformation	Budget added back due to on-off saving on SWAN contracts prior to 22/23 contract re-procurement	-0.130			-0.130	G
Transformation	Deletion of 2.4FTE vacant posts	0.084			0.084	G
Corporate	Salary sacrifice AVCs – allocation of corporate saving	0.002			0.002	G
Corporate	Corporate staffing (staff alignment, agility and redesign) – allocation of corporate saving	0.029			0.029	G
Corporate	Corporate staffing (recruitment timelines) – allocation of corporate saving	0.008			0.008	G
Corporate	Corporate non-staffing – allocation of corporate saving	0.027			0.027	G
Service Total		0.307	0.0	0.000	0.307	

Appendix 3 - Depute Chief Executive Service Capital Budget 2022/23 Forecast

1 April 2022 to 30 September 2022

	BUDGET	ACTUALS			ESTIMATES			VARIANCE		
Project	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	Approved Budget	Actual Expenditure	Actual Income	Actual Net Year to Date	Estimated Expenditure	Estimated Income	Estimated Outturn	Variance Est. Outturn v Budget	Acceleration/ (Slippage)	Overspend/ (Underspend)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
ICT Transformation	4,172	3,305	0	3,305	4,172	0	4,172	0	0	0