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Date: 7 March 2012

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SUPPORT SERVICES OVERVIEW AND SCRUTINY PANEL

Date: Thursday 15 March 2012

Time: 10am

Venue: Warspite Room, Council House

Members:

Councillor James, Chair

Councillor Lowry, Vice Chair

Councillors Berrow, Casey, Delbridge, Evans, Lock, Murphy, Rennie, Reynolds, Stark and Stevens.

Members are invited to attend the above meeting to consider the items of business overleaf.

Members and officers are requested to sign the attendance list at the meeting.

Please note that unless the chair of the meeting agrees, mobile phones should be switched off and speech, video and photographic equipment should not be used in meetings.

Barry Keel
Chief Executive

SUPPORT SERVICES OVERVIEW AND SCRUTINY PANEL

AGENDA

PART I – PUBLIC MEETING

1. APOLOGIES

To receive apologies for non-attendance by panel members.

2. DECLARATIONS OF INTEREST

Members will be asked to make declarations of interest in respect of items on this agenda.

3. CHAIR'S URGENT BUSINESS

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

4. UNISON DE-RECOGNITION (Pages 1 - 4)

The panel will receive a report from the Assistant Director for HR and Organisational Development on Unison De-recognition.

5. SICKNESS AND OCCUPATIONAL HEALTH SERVICES REVIEW

The panel will receive a presentation from the Assistant Director for HR and Organisational Development reviewing other authorities' sickness and occupational health services.

6. VALUE FOR MONEY (VFM) UPDATE

The panel will receive a verbal update on the ethos of VFM across the council.

7. TASK AND FINISH GROUP REPORT - IMPACT OF THE RESTRUCTURE IN REVENUES AND BENEFITS, CUSTOMER SERVICES, CASHIERS AND INCOMES AND CREDITORS (Pages 5 - 40)

The panel will receive a copy of the Task and Finish Group report on the Impact of the restructure in Revenues and Benefits, Customer Services, Cashiers and Incomes and Creditors for information.

8. TRACKING RESOLUTIONS AND FEEDBACK FROM OVERVIEW AND SCRUTINY MANAGEMENT BOARD (Pages 41 - 44)

To receive a copy of the panel's tracking resolutions and any feedback from the Overview and Scrutiny Management Board on issues which concern this panel.

9. WORK PROGRAMME (Pages 45 - 46)

To receive the panel's work programme for 2011/2012.

10. MINUTES (Pages 47 - 52)

To confirm the minutes of the Support Services Overview and Scrutiny Panel meeting held on 9 February 2012.

11. EXEMPT BUSINESS

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve the likely disclosure of exempt information as defined in paragraph(s) of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

PART II (PRIVATE MEETING)

AGENDA

MEMBERS OF THE PUBLIC TO NOTE

that under the law, the Panel is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

NIL.

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CITY OF PLYMOUTH

Subject: Unison De-recognition
Committee: Support Services Overview & Scrutiny Panel
Date: 15 March 2012
Cabinet Member: Councillor Ian Bowyer
CMT Member: Director for Corporate Services
Author: Mark Grimley, Assistant Director
Human Resources & Organisational Development
Contact: Tel: (01752 (30) 4890
e-mail: mark.grimley@plymouth.gov.uk
Ref:
Part: 1 (ONE)

Executive Summary:

During 2011, the Council entered into Collective Bargaining negotiations with the Council's recognised trade unions in respect of changes to terms and conditions of service, including contractual changes to pay arrangements, harmonisation of conditions of service and changes to working practises.

Following negotiations, the recognised trade unions (GMB, Unison and Unite) undertook a consultative ballot of their membership in respect of the proposals and the outcome negotiated. These proposals were set out to staff by the Council's management team with trade unions present to advise their membership.

On the first ballot, the proposals were accepted by a majority of Unison members and rejected by GMB and Unite members. Following further discussions, a revised offer was put to the trade unions. The subsequent revised offer was accepted by all three trade unions. Having a mandate from their membership, the Council sought to enter into a Collective Agreement with the trade unions.

Both Unite and GMB entered into the Collective Agreement with Unison setting out opposition to the proposals. Following further discussions with the Branch Secretary of Unison, the regional full time officer and the Regional Secretary, it was concluded that there would be no circumstances where Unison would enter into the agreement without re-opening negotiations. At that point the Corporate Management Team reviewed the options. A recommendation was made to the Cabinet Member that, having sought agreement through negotiation and given the on-going risks to the Council's budget savings delivery, that it was in the interest of the Council at that time to seek an agreement solely with GMB and Unite unions who had indicated a willingness to enter into a Collective Agreement. To effect this, the recommendation was made to seek to de-recognised Unison from the Collective Bargaining group for 'Green Book' employees.

The delegated decision was enacted under urgency provisions in order to address the financial health of the authority, and the potential risk to the Council of a perceived threat of legal action by the trade union. At this time, the decision was also recommended to avoid the issuance of an HRI order for the compulsory redundancy of up to 500 employees as an alternative to the savings achieved through the negotiations.

Corporate Plan 2012-2015:

1. The negotiation of terms and conditions was set in in the Council’s Corporate Plan and the Council budget 2011/12 as a savings target.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

An £18million savings was identified through the Council’s corporate and budget planning process to support the reduction in the Council’s expenditure over three years. This would be achieved by £6million reduction in pay and conditions of service, the reduction of 500 posts through natural turnover and efficiency through modernising ways of working.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

An equalities impact assessment was undertaken as part of the terms and conditions negotiations and in respect of the de-recognition of Unison.

Recommendations & Reasons for recommended action:

- None.

Alternative options considered and reasons for recommended action:

Alternative actions considered were:

1. Dismissal and re-engagement of the workforce: this would involve a 3-month consultation on dismissal and 3-month implementation, including reissuing contracts under new terms and conditions requiring additional project resource and cost implications, as well as a further 6-month delay in achieving savings.
2. Issuance of an HRI notice and consultation on 500 compulsory redundancies across all levels of staff and across all services.

Following feedback from the workforce and in consultation with managers, there were considered to be general support from the workforce for the proposals negotiated and accepted by the trade union membership.

Background papers:

- [De-recognition of Unison, delegated decision](#)
- [Re-recognition of Unison, delegated decision](#)

Background information and the Collective Agreement:

<http://www.plymouth.gov.uk/myjobplymouthbook>

Sign off:

Fin		Leg		HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Mark Grimley, Assistant Director											

1.0 REPORT

- 1.1 In October 2010, as the local government settlement for 2011/12 was becoming clearer following announcements from the Chancellor of the Exchequer, HM Treasury and the Department for Communities and Local Government, the Council shared the financial impact assessments with the trade unions, including a number of workshops held jointly with local representatives and regional officers from the trade unions to examine options for addressing the reduced resources over a three year period.
- 1.2 The Council published a draft medium term financial plan which included financial savings through a reduction in the overall spend on the workforce. The means of reduction would be subject to consultation and negotiation with trade unions.
- 1.3 In January 2011, the Council and trade unions agreed the terms of reference for a set of consultations and negotiations to undertake a three year reduction in the workforce costs and overheads, as well as addressing the modernisation of services and budget delivery plans for each department of the Council.
- 1.4 The negotiation and consultation was led by Adam Broome, Director for Corporate Support on behalf of the Corporate Management Team (CMT). Mr. Broome was advised by Martin Boyce, Head of Human Resources. Mark Grimley, Assistant Director for Human Resources and Organisational Development attended as Chair of the Joint Consultative Committee.
- 1.5 Trade union representation for negotiation included the three local branch secretaries, the regional officers for Unite and GMB, and a member of the local Unison Branch Committee. Additional facilities time was given to the officers of the Council representing trade unions.
- 1.6 The negotiations were jointly chaired by Adam Broome (Council), Darren Turner (Unison Branch Secretary) and Robin Beal (Unite Secretary (PCC)).
- 1.7 Following intensive negotiations, both sides agreed a final package of measures that the trade union side agreed they would put to their branch committees and local membership in March 2011. Similarly, the Council undertook to brief employees through an intensive period of road shows and meetings at which trade union representation was permitted, indeed, encouraged. The intended implementation date of the package would be phased in from the 1st April 2011.
- 1.8 In March 2011, both GMB and Unite local branches undertook a local consultative ballot on the proposals with a 'neutral recommendation' to their membership. Unison branch committee undertook a consultative ballot with a recommendation to 'reject' the proposals.
- 1.9 On 31st March 2011, the Council was notified that Unison members had voted in favour of the proposals. GMB and Unite membership rejected the proposals.
- 1.10 Further negotiations and consultation took place between management and all three trade unions. A further, better offer was put to all three trade unions in June 2011. Both GMB and Unite re-balloted their membership in July 2011 resulting in an acceptance of the revised proposal. Unison did not re-ballot their membership as the revised offer was a better offer than the original ballot. Unison reserved their right to consult their membership on the revised offer.

- 1.11 A Lead Representatives meeting was held on 28 July 2011 to sign the Collective Agreement following acceptance from the membership of all three trade unions. GMB and Unite signatories were present. Unison's full time officer attended to advise that their lead signatory (the Regional Secretary) would not attend to sign as they had further concerns about the impact on certain groups of staff. This was the first time any such concern was raised since their membership was consulted and accepted the proposals.
- 1.12 The meeting was adjourned for the Council to consider its position. A series of meetings was held with trade unions and management to address the concerns raised.
- 1.13 Following a meeting with the Regional Secretary of Unison, it was confirmed that Unison would not sign the agreement without re-opening negotiations. A request for mediation was mutually agreed not to be appropriate given the impasse. Unison did not request the dispute mechanism as set out in the terms of reference.
- 1.14 Further discussions took place with the regional officers from GMB and Unite, as well as the national officer from Unison.
- 1.15 Following these discussions no further way forward would be found. Both GMB and Unite had indicated that they were prepared to accept the Collective Agreement put forward following a mandate from their membership and in the interests of industrial relations.
- 1.16 The Corporate Management Team considered the range of options open given the risk to the budget. It was concluded and collectively agreed that a recommendation would be made to the Cabinet Member to de-recognise Unison with the intention of reaching a Collective Agreement with the remaining two unions for the purposes for collective bargaining.
- 1.17 The delegated decision was signed on the 18 August 2011 by the Cabinet Member and the Chair of the Overview and Scrutiny Management Board under the Council's urgency provisions resulting in the removal of Unison from the Collective Bargaining unit.
- 1.18 Unison was re-recognised on 16 September 2011, following the signature of the Unison Regional Secretary on the original Collective Agreement.
- 1.19 The Collective Agreement was implemented with immediate effect on the 16 September 2011.

IMPACT OF THE RESTRUCTURE IN REVENUES AND BENEFITS, CUSTOMER SERVICES, CASHIERS AND INCOMES AND CREDITORS

Support Services Overview and Scrutiny Panel Task and Finish Group



CONTENTS

1. Introduction
2. Executive Summary
3. Scrutiny Approach
4. Key Issues Arising from the Evidence
5. Findings
6. Recommendations

I. INTRODUCTION

The Support Services Overview and Scrutiny Panel scrutinises matters relating to the Chief Executive's and Corporate Services Directorates and monitors performance against relevant city and council priorities.

The policy and business areas that relate to the above directorates which are of particular concern to the Support Services Overview and Scrutiny Panel include:

- Business Transformation
- Customer Services
- Finance, Assets and Efficiencies
- ICT
- Human Resources and Organisational Development
- Democracy and Governance
- Policy, Performance and Partnerships
- Communications

One of the issues considered by the panel is the restructure in Revenues and Benefits, Customer Services, Cashiers and Incomes and Creditors. This issue was prioritised by the panel following approval of the restructure as part of the net revenue budget requirement of £208.237m for 2011/12 and five year Capital Programme (2010/11 – 2014/15) of £192.635m as recommended to Full Council on 28 February 2011 by Cabinet on 14 December 2010.

The Support Services Overview and Scrutiny Panel received an update on Revenues and Benefits at its meeting on 10 March 2011 and following approval from the Overview and Scrutiny Management Board a task and finish group was convened in February 2012.

This report summarises the findings of the task and finish group review and makes recommendations for improvements to key services.

2. EXECUTIVE SUMMARY

The scope of this review encompassed the considerable range of services offered by Plymouth City Council in the Revenues and Benefits, Customer Services, Cashiers and Incomes and Creditors departments. In undertaking the review it was paramount to the group to ensure that staff and customers had not been negatively impacted on following the recent restructure into the aforementioned departments.

The restructure had revised the departments so that services were delivered from three departments rather than the four previously in place. From 1 November 2011 the departments in the new structure were Revenues and Benefits, Customer Service and the Transaction Centre, previously Cashiers and Incomes and Creditors.

The panel were informed about service changes and the restructure process through comprehensive documentation, witness statements from Union representatives, Human Resource representatives, Service managers and Cabinet Members and site visits to the newly functioning services.

The panel were pleased with the majority of its findings and were of the opinion that in general staff morale had dipped evidently as a result of a very difficult restructure process. Following a thorough review and analysis of all the evidence provided, the panel identified a number of

recommendations which were deemed to offer suggested improvements that would further benefit the service, improve staff morale and increase customer satisfaction.

3. SCRUTINY APPROACH

The Overview and Scrutiny Management Board approved in principle on 23 March 2011, the establishment of a Task and Finish Group to review the impact of the restructure in Revenues and Benefits, Customer Services, Cashiers and Incomes and Creditors with membership drawn from the Support Services Overview and Scrutiny Panel.

3.1 Task and Finish Group Objectives

The group was asked to:

Review the impact of the restructure in the four service areas in relation to:

- The duty of care to staff
- The impacts of an increased workload
- The experience of customers and stakeholders
- The backlog of cases
- The processing times of cases

With the overall aim to make recommendations to the Overview and Scrutiny Management Board about how the service could negate the impact on the above concerns.

The Project Initiation Document (PID) is attached as Appendix 1.

3.2 Task and Finish Group Membership

The Task and Finish Group had cross party membership comprising the following Councillors –

- Councillor James (Chair)
- Councillor Casey
- Councillor Murphy
- Councillor Stark

For the purposes of the review, the Task and Finish Group was supported by -

- Darren Stoneman, Project and Business Coordinator
- Ross Johnston, Democratic Support Officer

3.3 Task and Finish Group Methodology

The Task and Finish Group convened over two days on 2 and 3 February 2012 to consider evidence and hear from witnesses, review background information and undertake observations by way of site visits.

Witnesses invited:

- Di Saunders-Brewer, Senior Human Resources Advisor
- Diana Beal, Union Representative (UNITE)

- Stuart Fagen, Union Representative (GMB)
- Darren Turner, Union Representative (UNISON)
- Councillor Richard Ball, Cabinet Member for Customer Services
- Councillor Ian Bowyer, Cabinet Member for People, Property and Finance
- Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies
- Martine Collins, Revenues and Benefits Service Manager
- John-Paul Sanders, Assistant Director for Customer Services (Apologies)
- Dave Saunders, Head of Customer Services
- Tracey Tremlett, Transactional Centre Strategic Manager

Background material and documentation:

- Project Initiation Document
- Equality Impact Assessment
- Consultation Documents
- Structure Charts
- Staff Survey Analysis Reports
- Service Performance Reports
- CIPFA Reports

Site visits conducted:

- Customer Services, Ballard House
- Customer Services, First Stop, Civic Centre
- Revenues and Benefits, Civic Centre
- Transaction Centre, Civic Centre

3.4 Contextual Overview

In order to aid members of the task and finish group Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies gave a presentation which is attached as Appendix 2.

The presentation summarised the restructure process and explained the requirement for the restructure, the approach and process used to deliver the restructure, the effects of the restructure, changes implemented across the departments, future service delivery challenges and a future commitment to review the new structure.

4. KEY ISSUES ARISING FROM THE EVIDENCE

The task and finish group was presented with various forms of evidence and the key issues outlined are presented as follows:

4.1 Trade Union Representative Evidence

In attendance at the task and finish group to provide trade union evidence were Diana Beal, representing Unite, Stuart Fagen, representing GMB and Darren Turner, representing Unison. The Trade Unions were very supportive of the process and the requirement to undertake the restructure. Key issues that were raised included –

- (a) unions were involved throughout the process, however, it was considered that union involvement at an earlier stage would have assisted staff in dealing with the difficult restructure process;
- (b) there was a lack of a clear plan on future service delivery throughout the restructure, which had caused staff to feel anxious about the process and insecure about how their role would fit into the new structure;
- (c) staff did not receive enough support throughout the process, particularly given the risk to a reduction in salaries;
- (d) Understand that large numbers of staff had received feedback, however there were unsuccessful applicants had yet to receive interview feedback;
- (e) staff who had been demoted following the restructure were now having to work increased hours to cope with the reduction in salary. This had had a negative impact on work life balance which had also been adversely effected by the reduction in flexible working patterns i.e. limiting teams of ten to just one term time worker;
- (f) role profiles and grading of jobs had been inconsistent particularly with the positions graded at a D and an E. It was considered by many that staff appointed to a grade E were less experienced than staff appointed to a grade D and this had caused friction and conflict between colleagues;
- (g) the restructure had decommissioned the training team, which had led to increased inconsistencies in service delivery and increased friction between staff as knowledge and advice had regularly been sought from staff appointed to lower grades;
- (h) staff engagement workshops had ceased and the work carried out in the initial workshops had not been completed.
- (i) the restructure was still in its early stages and in order to have a full picture of staff morale and service delivery a further review should be conducted later in the year;
- (j) there was currently too much overtime being offered to staff.

4.2 Human Resources Representative Evidence

In attendance at the task and finish group to provide human resources evidence was Di Saunders-Brewer, Senior Human Resources Advisor. The key issues that were raised included –

- (a) the recruitment in the restructure had focussed on management and leadership qualities in an attempt to achieve better management;
- (b) the service area had high levels of sickness and this was being tackled through a corporate drive to improve staff sickness;
- (c) There was a disproportionate level of part time and Term time workers across the departments which hindered effective service delivery

- (d) unions had been comprehensively involved in the restructure and it was believed that good working relationships had been fostered between the three unions and Plymouth City Council throughout the process;
- (e) interview feedback had yet to be provided to eight unsuccessful applicants and this had been delayed due to changes in the service that required immediate action. This was disappointing and feedback would be provided in the next couple of weeks.

4.3 Site Visit Observations

The task and finish group were invited to conduct observations by form of site visits to the all of the service areas in question. The key issues observed during these site visits included –

- (1) Customer Services - Ballard House
 - (a) customer services was delivered from two different sites, Ballard House and the Civic Centre, which caused significant staffing and management difficulties;
 - (b) there were currently no grade A posts in the structure, although it was hoped that three apprentices on a grade A would be appointed within the next four weeks;
 - (c) at present all 19 grade B posts were occupied by agency staff, although 50 per cent would be advertised and appointed to in the near future;
 - (d) a new improved IT system, Microsoft Dynamics, would be installed on 1 April 2012 and this would improve service delivery as current IT systems were believed to be inadequate;
 - (e) the service had a high number of abandoned calls particularly in the Adult Social Care / Proof of Concept Teams.
- (2) Customer Services - First Stop, Civic Centre
 - (a) an open plan office would improve service delivery and this would hopefully be addressed as part of the Accommodation Strategy;
 - (b) staff uniforms had been ordered;
 - (c) the restructure had relocated a number of previous customer services staff into the Revenues and Benefits Service ensuring that the current customer service team, across both locations, had relative inexperience.
- (3) Revenues and Benefits – Civic Centre
 - (a) legislative changes such as the implementation of the Welfare Reform Bill would impact the service severely and potentially increase the pressure on staff due to an increase in demand for services;
 - (b) other additional pressures that the service needed to cope with included the promotion of a Council Tax benefit take up campaign, changes to the administration of the Department for Work and Pensions (DWP) and increases in service

demands following changes to the Tax Credit system with the introduction of Phase two of the Automated Transfers to Local Authority Systems (ATLAS);

- (c) the service had a large backlog of claims which was being cleared by a group of purposely employed agency staff, the backlog had been reduced from 2600 to 1300 claims and it was hoped that the backlog would be completely cleared by the end of March 2012;
- (d) the service was operating a very long processing time for benefits claims, although there was a clear direction on how the service aspired to reduce processing times and improve its performance;
- (e) collection of Council Tax and National Non-Domestic Rates was in a strong position and staff who were experienced in this service were being trained to assist in processing benefit claims;
- (f) at present the service did not have the capacity to undertake reviews or interventions of benefit claims, however, it was hoped that risk based verification of claims would begin in the near future and this was hoped to enable staff to manage caseloads more effectively;
- (g) the service had no grade A posts or apprentices in its current structure;
- (h) the new structure had created jobs graded at both grade D and grade E, however, the job roles were not clearly defined and this had been a major cause of friction between staff and a large factor in the reason for low staff morale. In an attempt to clarify the job roles and increase staff morale the service had worked with the DWP to establish the level of responsibility and accountability for each post;
- (i) the removal of training provisions in the service had further increased the pressures and feelings of friction on experienced staff who were often asked to advise and train staff who were inexperienced and appointed at a higher grade;
- (j) the service employed one subsidy officer who had the responsibility of reviewing legislative changes that would affect the service, provide training resources and undertake quality assurance. This was considered to be too big a role for one individual and resources had been found, by removing three grade B posts, to create two new quality assurance officer posts for a temporary period.
- (k) staff training had been identified in the service recovery plan, which would cross train staff on other services in order to build experience;
- (l) IT systems were currently inadequate for service demands, although this would be improved on 1 April 2012 by the implementation of Microsoft Dynamics software;
- (m) sickness in the service was a major issue and investigations had been commissioned on six staff who had regularly been off sick;
- (n) the restructure had been a protracted experience for many staff and this as well as the use of the Voluntary Release Scheme (VRS), had led to an increase in sickness absence;

- (o) the service eagerly awaited the sickness figures for January as this was believed to give a true reflection of sickness levels within the service;
 - (p) in order to more effectively deal with vulnerable customers the service had created a visiting team where staff would visit clients at home.
- (4) Transaction Centre – Civic Centre
- (a) training provisions in the service required improving in order to develop staff knowledge and skills and reduce the pressures on experienced staff who were mentoring and training inexperienced and newly appointed staff;
 - (b) IT could be improved, in particular with the introduction of a purpose built scanning system;
 - (c) the level of on-line transactions was poor and this would be targeted in the future to ensure the public were aware of all paying in methods;
 - (d) 80 per cent of invoice payments were processed within 30 days which was below the service's performance indicator of 96 per cent;
 - (e) in total seven grade B posts were currently occupied by agency staff, although three of these posts would be appointed to in the near future;
 - (f) the service had been exploring the opportunity to expand and had identified the role of undertaking CIVICA legal functions up until the enforcement phase;
 - (g) staff morale in the service was very high.

4.4 Cabinet Member and Service Management Evidence

In attendance at the task and finish group to provide Cabinet Member and Service Management evidence was Councillor Ian Bowyer, Cabinet Member for Finance, Property and People, Councillor Richard Ball, Cabinet Member for Customer Services, Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies, Martine Collins, Revenues and Benefits Service Manager, Dave Saunders, Head of Customer Services and Tracey Tremlett, Transactional Centre Strategic Manager. The key issues that were raised included –

- (a) the restructure was a protracted process for all involved and all credit must go to the staff who had continued to deliver an effective service despite increased stress and pressure;
- (b) the restructure focussed on appointing staff with the right skills in an attempt to ensure management and leadership was of a high standard throughout the service and it was considered that the service now had an excellent team;
- (c) although the team was excellent the service employed too many agency staff which was an issue for service continuity and value for money;
- (d) all services were attempting to promote apprentices and five new apprentices had been appointed and would be starting work in the service within the next month;

- (e) the split between staff on a grade D and a grade E was a major concern to the service and clearly identified roles were necessary to improve morale throughout the Revenues and Benefits Service;
- (f) the Adult Social Care were aware of the difficulties within the Proof of Concept Team and this issue was being addressed by that department;
- (g) Customer Satisfaction in the service remained high.

5. FINDINGS

In reviewing the evidence and analysing all of the data provided the panel identified a number of points of concern which included:

5.1 Training

A common theme across all three departments was the absence of a structured and dedicated training resource to train, coach, mentor and develop staff that were either new to the department or new to a role. Also, there was a need to supplement the Benefit Subsidy Officer in interpreting and delivering legislation updates and monitoring quality assurance.

The group felt that the common feeling presented was that to foster an environment whereby experience and knowledge was embedded effectively a dedicated training resource was required.

5.2 Staff Morale

The interim staff survey results provided to the task and finish group were a cause of concern and were felt to be reflective of the feeling amongst staff in November 2011 when this was completed. The feeling of low staff morale was still prevalent in the Revenues and Benefits service although the overall consensus of the group, following visits to the other departments and witness statements, was that progress had been made in dealing with the issue of staff morale.

5.3 Recruitment to Vacancies

A consistent message from all tiers of management and colleagues was concern at the high number of agency staff employed at the lower grade bandings of B and C. Explanations were given that these posts were being held in readiness for potential re-deployees. It was identified by service management that the lack of stability at these grades had had a detrimental impact on performance and staff morale.

The group were satisfied that advertisement and appointing to 50 per cent of grade B and C posts occupied by agency staff and the appointment of five apprentices would significantly improve the performance of the service and staff morale.

5.4 Dress Code

The panel were impressed with the attitude and professionalism of Customer Facing staff, but were concerned that customers may struggle to differentiate between staff and customers in customer facing roles due to the absence of a dress code / uniform.

5.5 Location of Customer Services

The Panel were concerned that the locations of the Customer Services Team were spread across two strategic sites which provided a number of management difficulties.

5.6 Grade D/E Split

All the evidence identified the split between grade D and grade E staff as a source of low morale, conflict and friction.

5.7 Feedback Workshops

During the course of the restructure staff were offered the opportunity to attend workshops to give their views on future service delivery and service improvements. The feeling was that these workshops were still needed to follow through recommendations and suggestions from the initial workshops

The feeling from the panel was that these workshops were vital to staff feeling fully engaged in the process and would be pivotal in allowing staff to move forward.

5.8 Poor Service performance

Performance across the service was an issue with particular concern identified in the level of abandoned calls in the Proof of Concept team, the continued high processing times for benefit claims and the high number of claims still in the backlog, and the low percentage of invoice payments processed within 30 days.

5.9 Flexible Working

Flexible working had been reduced across all teams which had limited the number of term time workers to only one per team. This was a concern as the group felt that this approach may lead to the loss of quality staff in the future who had gained a great deal of knowledge and experience.

5.10 Strategic Manager grading

The task and finish group identified through the service area structure charts that there was a clear and unfair disparity between the levels and responsibilities of the three strategic managers.

6. RECOMMENDATIONS

The task and finish group agreed that it is recommended that –

R1:	Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies to arrange the next stage of staff engagement workshops to follow through suggestions and recommendations raised by staff at the initial workshops;
R2:	Interview feedback is provided as a matter of urgency to all applicants unsuccessful or unsuccessful during the recruitment process;
R3:	An interim staff survey is conducted with all staff in May 2012, six months after the implementation of the new structure, and the results of which are shared with the

	Support Services Overview and Scrutiny Panel;
R4:	A dedicated cross-department training resource be established to help deliver a service function that has a more effective and consistent role in dealing with training requirements, interpreting and dealing with legislation changes and monitoring quality assurance. It is believed that the training team will alleviate conflicts, friction and pressure between staff as well as ameliorate staff morale and assist a service which has suffered from poor performance levels;
R5:	Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies and Martine Collins, revenues & Benefits Manager to undertake a review of the role profiles for grade D and grade E posts and ensure that clear differentials are contained within the role profiles to bring clarity to the roles and alleviate confusion and friction between staff;
R6:	Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies to undertake a review of the use of the flexible working policy within the affected departments;
R7:	A single, central Customer Services location be developed as a part of the Corporate Accommodation Strategy to meet the needs of our customer base and allow for flexibility within disciplines;
R8:	Uniforms for customer facing staff at First Stop should be incorporated into the role as soon as practicable and that consideration should be given to all back office staff having to dress to an appropriate standard;
R9:	Mark Grimley Assistant Director for Human Resources and Organisational Development should give consideration to establishing a staff reward scheme which would improve staff morale and encourage staff to promote service improvement ideas that could develop future service delivery;
R10:	The Strategic Manager (Revenues and Benefits) role be re-evaluated through Job Evaluation process in an attempt to ensure fairness is established in the grading of strategic manager positions;
R11:	Given the concerns identified with the call management in the Proof of Concept Team, the Health and Adult Social Care Overview and Scrutiny Panel add this issue to its work programme and request an update at a future meeting from the Cabinet Member for Health and Adult Social Care;
R12:	John-Paul Sanders, Assistant Director for Customer Services to review an extension to the Customer Services department operating hours to deal with general public enquiries between the hours of 8am and 8pm Monday to Friday and 8am – 5pm on a Saturday.

Appendix 1 – PID

Appendix 2 – Presentation

Appendix I

Request for Scrutiny Work Programme Item

1	Title of Work Programme Item	Impact of the restructure in Revenues & Benefits, Customer Services, Cashiers and Incomes and Creditors
2	Responsible Director(s)	Adam Broome, Director for Corporate Support
3	Responsible Officer(s)	Malcolm Coe, Assistant Director for Finance and Efficiencies 01752 304566 John-Paul Sanders, Assistant Director for Customer Services and Business Transformation 07917 264723
4	Relevant Cabinet Member(s)	Councillor Ian Bowyer, Cabinet Member for Finance, Property, People and Governance
5	Objectives	To review the impact of the restructure in the four service areas in relation to: <ul style="list-style-type: none"> • The duty of care to staff • The impacts of an increased workload • The experience of customers and stakeholders • The backlog of cases • The processing times of cases <p>To make recommendations to the Overview and Scrutiny Management Board about how the service could negate the impact on the above concerns.</p>
6	Who will benefit?	Plymouth City Council and its Staff; Residents of Plymouth and the Customers of the four service areas; Stakeholders of the four service areas (Including DWP, Landlords and Plymouth Community Homes).
7	Criteria for Choosing Topics (see table)	<ol style="list-style-type: none"> 1. City and Council Priority – Value for Communities 2. A poor performing service (high cost and low performance identified through benchmarking exercises) 3. An interest of the public and stakeholders

8	What will happen if we don't do this review?	<p>The restructure of the service may have:</p> <ul style="list-style-type: none"> • Reduced staff morale and confidence in fulfilling their duties • The experience of customers and standards of the service may reduce below benchmarking standards • Potential higher budgetary cost as a result of reduced quality of data provided to the DWP which will result in a claw back of over-payments.
9	What are we going to do?	<p>A one/two day Task and Finish review led by the Support Services OSP. The review will be undertaken post-restructure with the aim to be completed in September/October 2011.</p>
10	How are we going to do it? (witnesses, site visits, background information etc.)	<ul style="list-style-type: none"> • There will be site visits to the four service areas which will incorporate visits to the Civic Centre and Ballard House. Site visits would include speaking to customers and staff. • Witnesses would include, but would not be limited to, representatives from Plymouth Community Homes, DWP, Landlord Association and officers from the four service areas. • Questionnaire feedback to be provided from customers using the four services. • Review and compare the service performance for the past three years against performance indicators and benchmarked standards.
11	What we won't do.	<ul style="list-style-type: none"> • Review staff terms and conditions. • Review service opening times • Review service structure • Review financial implications of the restructure
12	Timetable & Key Dates	<p>There will be a one/two day Task and Finish Review:</p> <p>Day 1 – Evidence gathering</p> <p>Day 2 – Review of all evidence, further evidence and recommendations.</p>

13	Links to other projects or initiatives / plans	Corporate Plan Accommodation Strategy People's Strategy ICT Strategy Corporate Support Delivery Plans Comprehensive Spending Review
14	Relevant Overview and Scrutiny Panel / Membership if Task and Finish Group (to be decided by OSP before submission to OMB)	This work programme request has been prepared by the Support Services Overview and Scrutiny Panel. Membership = 6 members
15	Where will the report go? Who will make the final decision	The report will be forwarded to the Overview and Scrutiny Management Board for recommendations to be forwarded to the Cabinet and the Cabinet Member for Finance, Property, People and Governance.
16	Resources (staffing, research, experts, sites visits and so on)	Officer time. Site visits (internal)
17	Is this part of a statutory responsibility on the panel?	No.
19	Should any other panel be involved in this review? If so who and why?	No.

20	Will the task and finish group benefit from co-opting any person(s) onto the panel.	No.
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TASK AND FINISH GROUP



IMPACT OF THE 2011 RESTRUCTURE:

**CASHIERS,
CUSTOMER SERVICES,
CREDITORS AND INCOMES,
REVENUES & BENEFITS**

CONTEXT



PLYMOUTH
CITY COUNCIL

General:

- **Inconsistent approach to customer care**
- Relatively high cost of income collection process
- Inconsistent management
- 50+ role profiles across the piece
- Relatively high sickness with low morale
- Staff working patterns at odds with service demands
- Little career development or opportunity
- **Need to reduce spend by circa £1m**

CONTEXT

Revenues and Benefits:

- Significant increasing in customer demand
- Numerous changes to legislation
- Below par performance with relatively high cost
- Low staff turnover
- Vast majority E grade jobs post JE – variable standard
- Changing to ‘Lean System’ way of working



APPROACH

- Address 3 year targets as one big change
- Engage staff in developing their own solutions
- Focus on core customer care and leadership skills
- Treat the whole structure as one
- Focus reduction on management posts to protect front line
- Fewer number of generic role profiles
- Focus on right people, with right skills in right jobs
- Consultation with Trade Unions throughout





POST RESTRUCTION

CHANGES MADE

DUTY OF CARE (Cross Departmental)

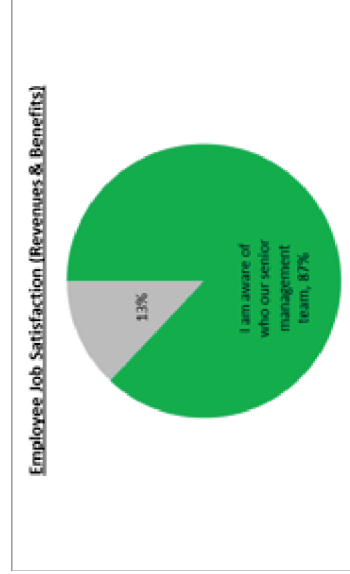
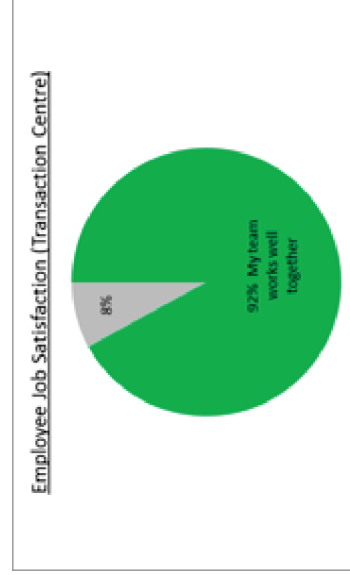
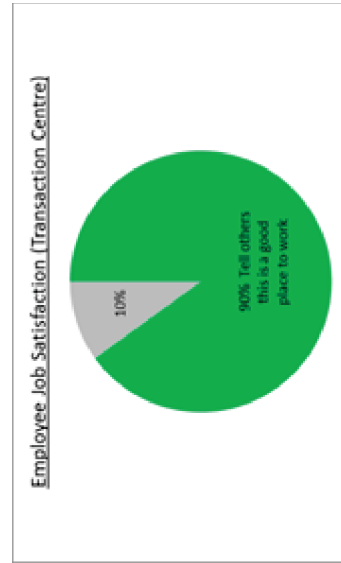
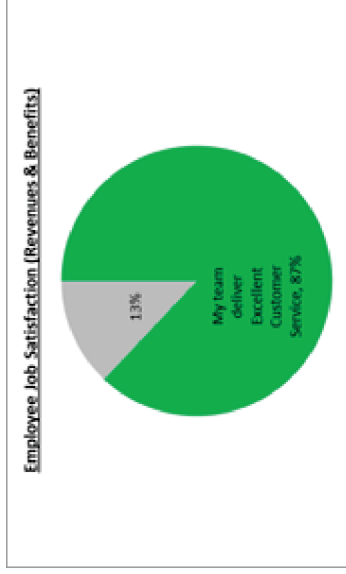
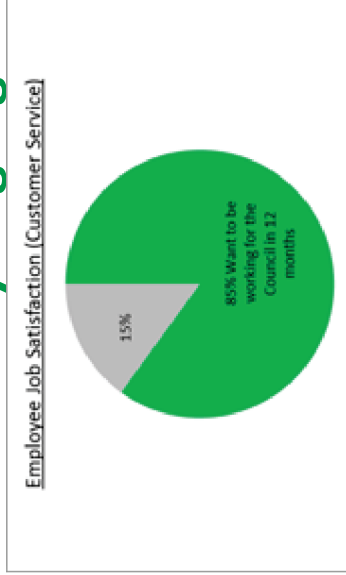
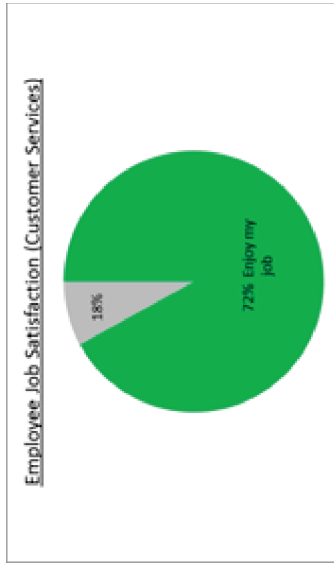


- Regular Team Meetings & 121's for all staff
- Staff Briefings, 'Shout Outs' and Workshops
- Increased management visibility & open door policy
- Robust attendance management (with HR support)
- Promotion of Employee Assistance Programme
- Team Leader Development Programme
- 'Speed Dating' to introduce new team members
- Personal Development Plans in place
- Performance Corner & Information Centres

DUTY OF CARE



Staff Survey Highlights



TRANSACTION CENTRE



PLYMOUTH
CITY COUNCIL

IMPACTS OF AN INCREASED WORKLOAD

- Structure 22 employees:
 - 12 staff new to duties
 - 7 Pertemps agency staff
 - Team Leaders new to teams
- Initial training almost complete
- Reliance on Pertemps adds pressure of uncertainty on team
- Adopted consistent generic workload across all areas
- Some delays to processing suspense items

TRANSACTION CENTRE



PLYMOUTH
CITY COUNCIL

EXPERIENCE OF CUSTOMERS & STAKEHOLDERS

- No formal feedback captured
- Stakeholder relationships developing well
- Positive informal feedback of call handling
- Cashiers feedback captured prior to closure

TRANSACTION CENTRE



PLYMOUTH
CITY COUNCIL

BACKLOG/PROCESSING TIME

- Currently 3 days over target for invoice input
- Mailbox response times all on target
- Direct debit and other cash performance maintained
- Cash collection at normal rates
- Overall income collection bucking national trends

CUSTOMER SERVICES



PLYMOUTH
CITY COUNCIL

IMPACTS OF AN INCREASED WORKLOAD

- Phone demand remains steady
- Face2Face demand marginally up
- Additional workload from Everyone Active calls absorbed
- Answer rates and wait times above target
- High % temporary staff in contact centre – business risk
- Training of staff in new roles nearing completion

CUSTOMER SERVICES



PLYMOUTH
CITY COUNCIL

EXPERIENCE OF CUSTOMERS & STAKEHOLDERS

- Significant improved customer feedback post restructure
- 30+ compliments on Face2Face service in December
- Customer Service Excellence re-accreditation January '12



97% Satisfaction
(Exit Survey Dec 11)



94% Satisfaction
(Telephone Survey Dec 11)

CUSTOMER SERVICES



BACKLOG OF CASES

- None

PROCESSING TIMES OF CASES

- All targets are being met or exceeded

REVENUES AND BENEFITS



PLYMOUTH
CITY COUNCIL

IMPACTS OF AN INCREASED WORKLOAD

- 30% new staff grades B to E (big loss of expertise)
- 5 new Team Leaders and 2 new managers
- Many vacancies at grade C and B
- Low staff morale - D/E split
- High requirement for training - HB and CTax
- Accuracy levels decreased (HB) at 87%
- Significant increase in customer demand (HB)

REVENUES AND BENEFITS



PLYMOUTH
CITY COUNCIL

EXTERNAL FACTORS:

- Housing benefits claims increasing – 6% as at 31/1/12 to 31004
- Economic situation will continue this trend
- DWP ATLAS programme - increase in work forecast 8-10%
- Local Housing Allowance changes increasing workloads
- Take-up campaign in advance of Welfare Reform changes
- End of year processes pressures – (HB and CTax)

REVENUES AND BENEFITS



PLYMOUTH
CITY COUNCIL

RECOVERY PLAN

- 12 month training plan to increase resource flexibility
- Agency staff clearing backlog
- Improving performance management arrangements
- Work streams in progress to manage customer demand
- IT self service in progress to release capacity – April 12
- New telephony and hot desking technology
- DWP Performance Development Team – best practice
- Subsidy Officer and QA support for accuracy

REVENUES AND BENEFITS



PLYMOUTH
CITY COUNCIL

EXPERIENCE OF CUSTOMERS & STAKEHOLDERS

- Informal feedback from customers still good
(Govmetric re-introduced to measure in Jan 12)
- Complaints reducing 18%
- Stakeholder feedback still good
(welfare groups and social/private landlords)
- Processing times improved on 10/11 but still not enough
- 48968 HB actions processed as at 31 Dec 11 (46491 Dec 10)

REVENUES AND BENEFITS



PLYMOUTH
CITY COUNCIL

BACKLOG OF CASES

HB

- Sealed backlog 28/11/11 - 2600 cases (incl 600 new claims)
- Outstanding as at 26/1/12 – 1485 cases
- New claims – all in progress or complete

CTax

- Backlog small – focus on proactive recovery & new year billing

Business Rates

- Backlog none – focus on proactive recovery & new year billing

REVENUES AND BENEFITS



PLYMOUTH
CITY COUNCIL

HB - New claims Processing

- Target 20 days
- Actual 27.71 days

Change of circumstances Processing

- Target 15 days
- Actual 18.34 days

CTax Collection

- Target 82.10% £76,256m
- Actual 81.54% £75,737m

Business Rate Collection

- Target 87.31% £72,944m
- Actual 86.19% £72,010m

SUMMARY



PLYMOUTH
CITY COUNCIL

KEY POINTS

- New structure only in place since November '11
- £1m spend reduction target met in one year!
- Cultural change / new ways of working essential to meet with increased demand
- Major training and development programme in place
- Performance maintained and improved throughout change
- Longer recovery for HB due to complexities of the service
- Commitment to formally review structure after 6 months

TRACKING RESOLUTIONS

Support Services Overview and Scrutiny Panel

Date/Minute Number	Resolution	Explanation/Minute	Officer	Progress	Target Date
70 9.2.12	David Northey, Head of Finance, would provide an update to all members on the current situation with legal services restructure;	During a discussion on the Performance and Finance report panel members identified this as an area of concern and requested further information.	David Northey, Head of Finance	This information was provided to all members via email on 7 March 2012.	
70 9.2.12	David Northey, Head of Finance, would provide an update to all members on the proposed budget delivery plans in Democratic Support;	As above.	David Northey, Head of Finance	This information was provided to all members via email on 7 March 2012.	
70 9.2.12	David Northey, Head of Finance, would provide an update to all members on the exact cost of 5.36 per cent of agency workers and the total number of agency workers employed across the council.	As above.	David Northey, Head of Finance	This information was provided to all members via email on 7 March 2012.	

Overview and Scrutiny Management Board

Date/min number	Resolution / Recommendation	Explanation / Minute	Response	Explanation
52 24.11.11	<p><u>recommended</u> that the Overview and Scrutiny Management Board review the results of the interim staff survey 2011 when they become available and determine whether the Support Services Overview and Scrutiny Panel should take any further action.</p>	<p>Members were encouraged that staff sickness had been reducing and felt that the responses to the staff survey had helped with this. They wished that the O&S MB review the interim staff survey and determine whether there still exists any issues that need further scrutiny by the SS OSP.</p>	<p>The Board endorsed and agreed this recommendation at its meeting on 14 December 2012.</p>	
58 24.11.11	<p>The Panel received their draft work programme for 2011-2012 and <u>recommended</u> to the Overview and Scrutiny Management Board that -</p> <ol style="list-style-type: none"> 1. School Transfers to Academies is added as an item onto the work programme for a future meeting after April 2012; 2. Lord Mayoralty issues is added to the work programme for the 19 January 2012 meeting. 	<p>The panel were recommended to further review the School Academy Transfers after April 2012 by officers as a clearer picture on the level of buy back services and income for 2012-2013 will be known.</p> <p>Members were concerned about recent media attention on the Lord Mayor's budget and wished to review this issue further particularly in relation to the budget cuts that were promised in the 2011 – 2012 budget setting process.</p>	<p>With regard to 1 relating to School Academy Transfers this item was endorsed and agreed by the Board at the meeting on 14 December 2012.</p> <p>With regard to 2 relating to Lord Mayoralty issues, this recommendation was not approved as the matter was to be considered by the Overview and Scrutiny Management Board.</p>	

68 9.2.12	the panel request that the Overview and Scrutiny Management Board recommend that Cabinet consider how future 'invest to save' schemes supported by robust business cases are to be financed;	The panel agreed the recommendation contained within the Invest to Save Projects report.		
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Grey = Completed (once completed resolutions have been noted by the panel they will be removed from this document)

Red = Urgent – item not considered at last meeting or requires an urgent response

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Work Programme 2011 - 2012

Proposed work programme	J	J	A	S	O	N	D	J	F	M	A
Business Transformation											
Accommodation Strategy											
Office/Building rationalisation	23										
Pounds House update		21		15	27	24					
Corporate Transformation Progress Review											
Invest to Save projects									9		
Cashiers and Pay Point review				15							
Finance											
Embedding VFM ethos across the council – Quarterly report	23			15		24				15	
Procurement service update									9		
ICT											
ICT Strategy											
Social Networking and Communication Review									9		
Human Resources and Organisational Development											
People's Strategy											
Terms and Conditions		21									
Senior Management Restructuring		21									
Redeployment Policy		21									
School Academy Transfer update		21		15							→
Staff sickness review						24					

Proposed work programme	J	J	A	S	O	N	D	J	F	M	A
Review other authorities' occupational health services and sickness (referred by Audit Committee on 16.12.11)										15	
Appraisal Process review						24					
Management of agency staff						24					
De-recognition of Unison (referred by O&S Management Board)										15	
Democracy and Governance											
Coroner's Service review				15							
Member Learning and Development											
Assistant Chief Executive											
Local Strategic Partnership Resource Plan											
Policy and Performance											
Local Carbon Framework Review				15							
Other Issues											
Budget and Performance Report	23					24			9		
Review Data Sharing between agencies (referred by O&S Management Board 2010/11 – OSMB 97a (2) refers)											
City and Council Priorities											
Value for Communities											
Task and Finish Groups											
Revenues and Benefits, Cashiers, Incomes and Creditors and Customer Services									2-3		

Key

New Item = #

Deleted Item = >>

Support Services Overview and Scrutiny Panel

Thursday 9 February 2012

PRESENT:

Councillor James, in the Chair.

Councillor Lowry, Vice Chair.

Councillors Berrow, Casey, Delbridge, Lock, Murphy, Penberthy, Rennie, Reynolds and Stark.

Co-opted Representatives: Janet Isaac, University of Plymouth.

Apologies for absence: Councillor Evans

Also in attendance: Councillor Ian Bowyer – Cabinet Member for Finance, Property and People, Councillor Richard Ball – Cabinet Member for Customer Services, Neville Cannon – Head of Information and Communication Technology, Chris Trevitt – Head of Capital and Assets, David Northey – Head of Finance and Ross Johnston – Democratic Support Officer.

The meeting started at 4.00 pm and finished at 5.20 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

64. **DECLARATIONS OF INTEREST**

There were no declarations of interest in accordance with the code of conduct.

65. **MINUTES**

Agreed that the minutes of the meetings held on 24 November 2011 at 10am and 24 November 2011 at 4pm are confirmed as a correct record.

66. **CHAIR'S URGENT BUSINESS**

Order of Business

The order of business on the agenda was amended as set out below in the minutes.

67. **SOCIAL NETWORKING AND COMMUNICATION REVIEW**

Councillor Richard Ball, Cabinet Member for Customer Services and Neville Cannon, Assistant Director for ICT gave a presentation reviewing social networking and communication. Members were invited to watch two videos, which provided a context into modern technology and how it could be transformed in the future. A demonstration on current ICT software that was currently being integrated across the Council was also provided. Members were then informed that –

- (a) the council was currently undertaking the biggest implementation of ICT anywhere in the world outside of the USA. The ICT package being incorporated across the council was inspiring Devon local authorities to improve ICT;
- (b) the council had delivered many improvements to ICT including –
 - a fully functional data centre, which had improved the council's reliability;
 - a virtual desktop, which had enabled hot-desking;
 - a Lync package, which had improved the council's telephony system and further enabled hot-desking;
 - service specific software improvements such as Microsoft Dynamics, which had improved management of data and the customers' experience;
 - share point, which had improved the customers' experience and improved data sharing internally and with partners;
- (c) the above ICT improvements had delivered enhanced visual and audio quality for users;
- (d) implementing the ICT software had realised further benefits including reducing staff travel costs and improved data sharing and collaboration with partners;
- (e) the main difficulty in delivering the ICT software was the speed of integrating the technology in line with the Accommodation Strategy.

Councillors were provided with an update on social networking and informed that –

- (f) the council used social networking sites such as Twitter and Facebook in a controlled manner, for example libraries and museums promoted news and events;
- (g) the council currently experienced more logs on its Facebook pages than on its website;
- (h) the council was becoming a more dynamic authority in terms of its use of social networking sites, however, it was still necessary for the council to continue to move forward to improve communication activities and become a modern council.

Following questions from councillors it was reported that –

- (i) the council took ICT security extremely seriously and utilised one of the best firewalls to secure its information;
- (j) the council complied with all security standards, monitored its networks and penetration tested all ICT software implemented to ensure that the potential of hacking was mitigated;
- (k) the council's security policy had been used in national standard policy guidelines and the council's Information Security Officer sat on a national security body;
- (l) YouTube would be enabled corporately for a trial period to see how it impacted on services;
- (m) the council was trying to promote business led change through more effective communication with businesses, customers and partners and ICT was seen to be a major enabler of this and was a key element in sharing information with partners whilst keeping information secure.

The Chair, on behalf of the committee, thanked Councillor Richard Ball, Cabinet Member for Customer Services and Neville Cannon, Assistant Director for ICT for an interesting presentation and congratulated Neville Cannon on his contribution to ICT in the past and wished him luck in his new role.

68. **INVEST TO SAVE PROJECTS UPDATE**

Ian Bowyer, Cabinet Member for Finance, Property and People and David Northey, Head of Finance provided an update on 'invest to save' projects. Members were informed that –

- (a) the purpose of the 'invest to save' projects was to increase revenue budget savings and reduce budget pressures by investing monies in projects that would achieve future budget savings;
- (b) the report highlighted the six current 'invest to save' projects, which were –
 - Parent and Child Assessments;
 - Autistic Spectrum Disorder;
 - Accommodation Strategy Phase II;
 - Procurement;
 - CareFirst;
 - Western Approach Car Park Modernisation;
- (c) all six projects were being acutely monitored and whilst CareFirst and

the accommodation strategy were on-going, the other four were anticipated to be completed in 2012/13. It was hoped that a full evaluation or status report of each project would be completed within the next six months in order to fully understand the impact and success of each project on service improvements and budget savings;

- (d) if future 'invest to save' schemes were proposed then the Cabinet could potentially borrow money to enable schemes and projects to be achieved.

Following members questions it was reported that –

- (e) the National Archives had indicated that they were satisfied with the council's proposal for its History Centre Scheme, planned as part of the Accommodation Strategy, to relocate some of the library service, museum and records office into one location;
- (f) the £19.056m acquired following the sale of Citybus had been transferred from the Capital Receipt Reserve into the general Capital Receipts Programme and would now be used to fund a number of projects which were currently funded by unsupported borrowing;
- (g) the Performance and Finance Report (including Capital Programme update) submitted to Cabinet on 15 November 2011 explained further the consolidation of the Capital Receipts Programme.

Agreed that –

- (1) the panel request that the Overview and Scrutiny Management Board recommend that Cabinet consider how future 'invest to save' schemes supported by robust business cases are to be financed;
- (2) the report is noted.

69. **PROCUREMENT SERVICE UPDATE**

Councillor Bowyer, Cabinet Member for Finance, Property and People and Chris Trevitt, Head of Capital and Assets, were in attendance to provide an update on the Procurement Service. Members were informed that –

- (a) the procurement service was part of an 'invest to save' project, which aimed to achieve tangible savings of £4m over three years with an estimated efficiency saving of £800k in 2011/12;
- (b) two of the main elements of the procurement project were the Procure to Pay (P2P) strategy, which focussed on spend with a value under £75k, and the Category Management approach led by Agilysis, which concentrated on identifying spend with a value of over £75k;
- (c) the P2P strategy had delivered efficiencies across the whole of the

council and would be targeting travel expenses in the near future to achieve further efficiency savings.

Chris Trevitt, Head of Capital and Assets was thanked for his attendance.

70. **EXTRACT FROM PERFORMANCE AND FINANCE REPORT**

Ian Bowyer, Cabinet Member for Finance, Property and People, David Northey, Head of Finance presented the Performance and Finance report. Members were informed that –

- (a) staff sickness had been improved significantly since December 2010 with a recorded reduction of 3.45 days per FTE. Following a corporate drive to improve sickness absence it now stood at an average level of 9.71 days per FTE which was still some way off the council's ambitious target of 6 days per FTE;
- (b) the budget delivery plan to restructure Legal Services had been commenced;
- (c) the budget delivery plan to restructure Democratic Services had yet to commence however, it was still considered to be an important aspect in reducing the council's budget as the council was still in a difficult financial position;
- (d) in total the council had reduced its number of employees by 516 since December 2010 with only 61 employees leaving as a result of redundancy;
- (e) agency staff accounted for 5.36 per cent of the monthly wage bill of all council employees, which was slightly over the council's target of 5 per cent.

It was commented by members that although Councillor Ricketts had given his apologies due to a prior commitment, it was disappointing that he was not in attendance for the second successive meeting, where the Performance and Finance report was under discussion.

Agreed that –

- (1) David Northey, Head of Finance, would provide an update to all members on the current situation with legal services restructure;
- (2) David Northey, Head of Finance, would provide an update to all members on the proposed budget delivery plans in Democratic Support;
- (3) David Northey, Head of Finance, would provide an update to all members on the exact cost of 5.36 per cent of agency workers and the total number of agency workers employed across the council.

71. **SCRUTINY TRAINING REPORT**

The panel noted the scrutiny training report.

72. **TRACKING RESOLUTIONS AND FEEDBACK FROM OVERVIEW AND SCRUTINY MANAGEMENT BOARD**

The panel noted the tracking resolution document.

73. **WORK PROGRAMME**

The panel noted its work programme.

74. **EXEMPT BUSINESS**

There were no items of exempt business.