

Support Services Overview and Scrutiny Panel

Thursday 10 March 2011

PRESENT:

Councillor James, in the Chair.

Councillor Lowry, Vice Chair.

Councillors Berrow, Browne, Dann, Delbridge, Murphy, Stark and Thompson.

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

Apologies for absence: Councillor Lock.

Also in attendance: Councillor Ian Bowyer – Cabinet Member for Finance, Property, People and Governance, John Paul Sanders – Assistant Director for Customer Service and Business Transformation, Martine Collins – Customer Service Manager, Neville Cannon – Assistant Director for ICT, Chris Trevitt - Head of Capital and Assets, Guy Dickson – Senior HR Adviser, Jane Keeley, Strategic Procurement Manager, Nicky Allen, Senior Product Portfolio Manager and Paul Chapman, Head of Value for Money and Efficiencies.

The meeting started at 10.00am and finished at 12.35pm.

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.

62. DECLARATIONS OF INTEREST

The following declarations of interest were made in accordance with the Code of Conduct in relation to items under discussion at this meeting –

Name	Minute No. and Subject	Reason	Interest
Councillor Thompson	Revenues and Benefits Update	Director of Plymouth Community Homes	Personal

63. MINUTES

Agreed that the minutes of the meeting held on 27 January 2011 are confirmed as a correct record.

64. CHAIR'S URGENT BUSINESS

There were no items of Chair's urgent business.

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

The Panel noted its tracking resolutions.

66. **REVENUES AND BENEFITS UPDATE**

Councillor Ian Bowyer, Cabinet Member for Finance, People, Property and Governance, John Paul Sanders, Assistant Director for Customer Services and Business Transformation and Martine Collins, Customer Services Manager presented a report and gave a presentation providing an update on the Revenues and Benefits Service. Councillors were informed that –

- (a) as part of the budget approved by Council to reduce council spend by £30M a £1M saving was identified as needing to be achieved in 2011/2012 through a service restructure covering four separate departments which were Revenues and Benefits, Customer Services, Cashiers and Incomes and Creditors;
- (b) across the departments there was a significant imbalance of staff grades, with the majority of staff employed on a Grade E, and staff working hours, with approximately 40 of the 280 staff being term time only workers;
- (c) the staff structure within the departments had too many tiers spanning 10 grades, which did not present good opportunities for career progress;
- (d) the restructure would involve a reduction of 30 posts, which would provide a significant challenge in driving improvement to the service areas whilst delivering the agreed savings;
- (e) a holistic approach had been adopted to all service areas which aimed to –
 - improve the quality of front line services;
 - provide easy and equal access to all services;
 - improve the resolution of issues at the first point of contact;
 - improve levels of performance and customer satisfaction;
 - provide an improved career structure and a greater variety of workload for staff;
- (f) in order to achieve these aims and deliver the service area improvements staff had been consulted in workshops that focused on four key areas, which were:

- the organisation – focused on the working environment;
 - the customer – focused on improving the experience of customers and equal access to services;
 - the structure – focused on reducing the tiers of staff to enable increase career progression opportunities;
 - the role – focused on ensuring role profiles are fair and reflect the work undertaken;
- (g) the workshops enabled staff to make formal responses about the proposal, staff had also been invited to submit responses following the workshops with over 80 being received. The views and opinions from staff consulted would help form the next stage of the service restructure which will be to present the proposals to trade unions at the end of March 2011.

Following questions from members it was reported that –

- (h) trade union negotiations would determine the outcome of the restructure, although it was anticipated that approximately twenty of the thirty job losses would be through redundancies with the majority of redundancies being from above Grade E;
- (i) the restructure which would undergo an Equalities Impact Assessment, was hoped to be completed by the end of July 2011;
- (j) benchmarking in the departments was undertaken against a number of other authorities where Plymouth was either on a par or better than the comparable authorities.

Members commented that –

- (k) the level of staff engagement was both welcomed and impressive;
- (l) the imbalance of staff grades and the inconsistencies in role profiles did not reflect well on the job evaluation process;
- (m) the council had a duty of care to its staff and this was a major concern given this major restructure was proposed so soon after the job evaluation process;
- (n) in order to improve service delivery and achieve the required financial savings the services needed to have quality IT systems in place and that the Accommodation, People's and ICT Strategies were key to ensuring this restructure was completed successfully.

Recommended that a scrutiny work programme request be submitted to the next Overview and Scrutiny Management Board requesting that a Task and Finish Group is formed to undertake a review of Revenues and Benefits, Cashiers, Incomes and Creditors and Customer Services.

Agreed that –

- (1) an update on the service restructure be provided at a future meeting of the panel;
- (2) the Democratic Support Officer would disseminate copies of all the presentations from this meeting to all members of the Panel.

67. **ACCOMMODATION, PEOPLE'S AND ICT STRATEGIES**

Councillor Ian Bowyer, Cabinet Member for Finance, People, Property and Governance, Neville Cannon, Assistant Director for ICT, Chris Trevitt, Head of Capital and Assets and Guy Dickson, Senior HR Advisor gave presentations on the Accommodation, People's and ICT strategies. Councillors were informed that –

- (a) the ICT Strategy had three key strands which were –
 - the Digital Plymouth project, which aimed to provide a city wide modern communication system to improve connection within Plymouth;
 - the Corporate Accommodation Strategy, which aimed to join up processes and change the way the council worked to improve efficiencies;
 - Corporate Applications, which looked into standardising ICT systems with the use of Microsoft products;
- (b) the main objectives of the ICT Strategy were to –
 - deliver value for money;
 - join up Plymouth City Council and its partners;
 - ensure assets were reused and shared;
 - fully exploit all information;
 - drive compliance and reduce risk;
- (c) the ICT Strategy aimed to reduce the number of IT systems in operation across the council into one easy to use system as presently there were over 90 data bases operating across the

council.

Following a recommendation from the Overview and Scrutiny Management Board on 26 January 2011 members were provided with an update on data sharing between agencies and were informed that –

- (d) Plymouth City Council was obliged to share data with its partners and good progress was being made with improving data sharing with processes on how to share data being agreed with partners;
- (e) a new telephone communication system called 'Lync' was to be piloted in May 2011;
- (f) work on developing a new data centre was being undertaken and had recently been released for tender.

Following questions from members it was reported that –

- (g) invest to save project suggestions for ICT software and products had been submitted to the Corporate Management Team;
- (h) a Microsoft Enterprise system was being proposed to improve data collection and data sharing;
- (i) the ICT Strategy was a three year programme and was key to delivering both the Accommodation Strategy and the People's Strategy.

Following the presentation on the ICT Strategy and Data Sharing members were provided with a joint update on both the Accommodation and Peoples Strategies as follows –

- (j) the Accommodation Strategy aimed to –
 - create a cultural change in the way staff work through hot-desking and a reduction of corporate buildings to improve working environments for staff and customers;
 - incorporate a more modernised IT infrastructure;
 - achieve revenue savings of £1.5M per annum;
- (k) in order to achieve financial savings and a reduction in carbon emissions the council had withdrawn from or planned to withdraw from the following buildings –
 - Dean Hill on 30 September 2010 which would achieve savings of £30K for 2010/11 and £60K for 2011/12;
 - Fairburn House on 24 March 2011 which would achieve a

- saving of £42K for 2011/12;
- Chaucer House on 15 April 2011 which would achieve a saving of £65K for 2011/12;
 - Former Southway Community College in July 2011 which would achieve an estimated saving of £150K for 2011/12;
 - a building in Mainstone Avenue, which would achieve a saving of approximately £20K for 2011/12;
 - Ballard House and Pearl Assurance House once the future of the Civic Centre had been decided;
- (l) the results of the staff survey had been a major driver in creating a working environment that was fair and fit for purpose;
- (m) the visual identity of the council had been implemented and all council documents and buildings would be standardised;
- (n) a cultural change was required across the whole authority, with staff engagement sessions, change champions and a people's panel being set up to ensure that communication and delivery of change was managed effectively;
- (o) on Floor 11, Civic Centre there was a show room for staff to see the layout of new office environments with pilot IT projects installed on the PCs;
- (p) changes to staff working hours in the shape of compressed hours and casual home working were being trialled within the HR department to support hot-desking and a more flexible working environment to be delivered. From May there will be seven desks to every ten staff within the department, which would deliver future savings on both maintenance and accommodation costs;
- (q) the ICT Strategy had planned to deliver the following elements which were required to progress the accommodation strategy into its second phase;
- Windows 7 by May 2011;
 - a virtual desktop by May 2011, which will assist with hot-desking;
 - a modern telephone system by May 2011;
 - a network upgrade and new data centre were both out for tender with the award of contract and evaluation processes being set for May 2011;

- (r) delivering all the strategies in conjunction with one another was important in helping the council achieve reduced maintenance costs, revenue savings, a reduction in its carbon footprint, a cultural change and an improved working environment for staff and customers.

Members were also provided with an update on invest to save projects and were informed that –

- (s) an invest to save project had to be an additional project to a business as usual item which could not be funded from current budgets and must deliver on-going revenue savings which would be subject to six monthly reviews;
- (t) only projects over £50K were considered and projects that delivered value and savings quickly were prioritised over other projects with Cabinet making the final approval on whether to deliver the suggested projects;
- (u) the only invest to save project that was currently being delivered was the Accommodation Strategy Phase 1 but other projects would be submitted to Cabinet in the near future.

The panel thanked Neville Cannon, Assistant Director for ICT, Chris Trevitt, Head of Capital and Assets and Guy Dickson, Senior HR Advisor for their attendance.

68. **INVEST TO SAVE PROJECTS**

This item was discussed in conjunction with agenda item 67. Accommodation, People's and ICT Strategies.

69. **PROCURE TO PAY UPDATE**

Councillor Ian Bowyer, Cabinet Member for Finance, People, Property and Governance, Jane Keeley, Strategic Procurement Manager and Nicky Allen, Senior Product Portfolio Manager provided an update on Procure to Pay. Councillors were informed that –

- (a) in 2009 a review was undertaken looking at the procurement processes across the council, which identified a non-contracted spend of £75M;
- (b) it was realised that by gaining control of non-contracted spend and achieving a 5 per cent saving on this spend could save the council £3.75M a year;
- (c) in order to achieve the £3.75M and other savings the council identified the following proposals as being integral to the Procure

to Pay (P2P) Lean Strategy and to assisting the council to achieve its efficiencies targets;

- buyer roll-out – implement 8 buyers who would take on the role of purchasing currently carried out by 323 staff across the organisation who were authorised to raise purchase orders, to monitor and control the spend within departments;
 - vendor management - to ensure that all suppliers have relevant accreditation eg insurance and reduce duplication of suppliers;
 - review Contract Standing Orders to fall in line with procurement legislation;
 - review of current procurement documentation eg ts & cs, tender docs etc
- (d) in April 2010 a web portal was launched called 'Sell2Plymouth' which aimed to gain control over the council's suppliers for low value procurement (under £75K) and promote small local businesses;
- (e) there were 14,000 suppliers in 2009 with an average of 103 new suppliers being added to the procurement system per month, this had now been reduced to 40 suppliers being added per month;
- (f) Contract Standing Orders has now been reviewed and will be submitted to City Council with the updated constitution in June 2011;
- (g) invoicing was centralised in November 2010 which led to more control of non-contract spend and a reduction in sundry payments, this has realised an efficiency saving of £28.5K to date;
- (h) two buyers were recruited in October 2010, to control spend within Corporate Support, with a further four buyers expected to be recruited at the end of March 2011 following an internal transfer of staff. The buyers now sourcing and ordering all goods within Corporate Support and have to date achieved efficiency savings of £60K;
- (i) the P2P target savings are revenue and not capital and are expected to deliver £0.85M in 2011-12, £1.5M in 2012-13 and £4.0M in 2013-14;
- (j) staff with access to purchasing cards will also be reduced considerably as there is a concern that they will be used to avoid

the new process. Currently there are 396 staff who can purchase goods using a card, unless it is critical to business their cards will be removed and the buyers will be issued cards.

In response to members questions it was reported that –

- (k) purchasing cards would remain with staff who have a critical need to spend without notice being given;
- (l) Plymouth City Council partakes in collaborative procurements as part of the Devon Procurement Partnership, which is made up of other Devon based local authorities and other local government organisations. We are also looking to open it up to Cornwall Council;
- (m) controlling expenditure is the first phase of the P2P Strategy. There is also a project for category management, which will aim to control purchasing within specific services i.e. transport and will lead to better engagement and relationships with partners.

Jane Keeley, Strategic Procurement Manager and Nicky Allen, Product Portfolio Manager were thanked for their attendance.

70. **VALUE FOR MONEY (VFM) QUARTERLY UPDATE**

Paul Chapman, the Head of Value for Money and Efficiencies, provided the Panel with an update on the Value for Money Quarterly Update.

The Panel was informed that –

- (a) the council as a whole was not getting value for money but there were plans in place which focused towards achieving the city and council priority of getting value for communities;
- (b) improvements to communication was a key aspect of improving value for money corporately and this was hoped to be addressed by a procurement exercise to gain control and monitor what the council spends;
- (c) there was a mechanism in place that would review and monitor both financial and non-financial benefits that were offered to and existed within local communities. This was being collated by the council and third sector organisations with the aim of quantifying the data to determine whether services could be improved to deliver better value for money and more sustainable communities.

Agreed that Paul Chapman, Head of Value for Money and Efficiencies would provide the data collated on financial and non-financial benefits for local communities at a future meeting.

71. **BUDGET AND PERFORMANCE REPORT**

Councillor Ian Bowyer, Cabinet Member for Finance, Property, People and Governance and Paul Chapman, Head of VFM presented the Budget and Performance Report. Following questions from members it was reported that

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- (a) it was the responsibility of each scrutiny panel to monitor the high risk spend areas within their remit;
- (b) the council had some cash reserves to address any financial problems that may arise which were being generated by procurement exercises;
- (c) the council's website would be modernised and improved to enable customers to make on-line transactions;
- (d) the sickness level's within Corporate Support were a real concern and were attributed to a cultural problem. This had been identified by senior managers and was being addressed on an individual basis.

Agreed that the sickness levels and reasons for sickness across all council departments would be distributed to panel members.

The report was noted.

72. **WORK PROGRAMME**

The panel noted its work programme for 2010-11.

73. **EXEMPT BUSINESS**

There were no items of exempt business.