

Report of	Executive Director	Author	Matt Sterling/Chris Reed 282577
Title	Fundamental Service Review of Corporate and Financial Management – progress update for the year following the business case		
Wards affected	All		

This report summarises the progress made “one year on” in achieving the aims of the business case relating to this Fundamental Service Review.

1. Action required

- 1.1 The Panel is asked to consider and comment on the progress made “one year on” in achieving the aims of the business case relating to this Fundamental Service Review of the Council’s Corporate and Financial Management service (CFM FSR).
- 1.2 The Panel’s comments are invited on any aspect of the progress. This may include views on aspects such as striking a good balance between achieving efficiencies and customer service, and on our next steps and future challenges

2. Reason for scrutiny

- 2.1 As with all FSRs, a report is brought back to Scrutiny Panel and Cabinet “one year on” from approval of the business case as an opportunity to review the progress made and current plans.

3. Further information

- 3.1 Please see the four-page progress summary which follows the draft Cabinet report. This includes the background, what we have done so far, and our next steps.



Cabinet

28 January 2015

Item

Report of	Executive Director	Author	Matt Sterling 282577
Title	Fundamental Service Review of Corporate and Financial Management - progress update for the year following the business case		
Wards	All		

This report concerns the Fundamental Service Review of Corporate and Financial Management, and the business case arising from this review – *nb this is a draft Cabinet report and subject to discussions at Scrutiny Panel on 2 December 2014.*

1. Decision Required

- 1.1 To consider and note the progress made since Cabinet approval in November 2013 of the business case resulting from the CFM FSR.

2. Reasons for Decision

- 2.1 As with all FSRs, a report is brought back to Scrutiny Panel and Cabinet “one year on” from approval of the business case as an opportunity to review the progress made and current plans. No alternative option is proposed.

3. Supporting Information

- 3.1 Please see the four-page progress summary which follows this report. The summary includes the background, what we have done so far, and our next steps.
- 3.2 For the CFM FSR, the key aims were delivering improved customer service, greater service resilience and recurring revenue budget savings. CFM is the backbone of the Council’s activities, managing its governance, and providing specialist support in areas such as legal, finance, democratic and civic, HR, ICT, communications, policy, and project delivery to other service groups to achieve their goals.
- 3.3 The key features of the change to be achieved were:
- Merging existing specialist disciplines to achieve greater efficiency and to improve the co-ordination of our work.
 - Separating ‘judgement-based’ work from ‘process-based’ work, and move the process work to the new corporate Professional Support Unit.
 - Merging the Town Hall Events team with the Charter Hall Events team.
 - The migration of the Buildings and Facilities team to Colchester Borough Homes (CBH) to achieve greater resilience and efficiencies.
 - The integration into the Service of the existing Strategic Change team to maximise the benefit of our strategic change capacity for the organisation as a whole, and to integrate this with our work to manage and improve the performance of our people.
 - The addition of ‘account manager’ responsibilities to some of our existing Business Partner roles to improve the co-ordination of our involvement in customers’ work.
 - The creation of collaborative teams across disciplines to improve co-ordination and create new standards for customer service.

4. Strategic Plan references

- 4.1 The business case contributes to the vision and broad aims set out in the Strategic Plan 2012-15, and the priority area of delivering high quality, accessible services.

5. Consultation and publicity considerations

- 5.1 Customers, staff and Unison played an important part in the development of this business case and in its implementation to date.
- 5.2 Employee engagement and involvement has been key to the success of the review. A communications and engagement plan was in place throughout, and staff were encouraged to input their experience and ideas. Fortnightly updates by e-mail and a section on the Council's intranet helped staff to keep informed as the FSR went through its various stages. The intranet enabled staff to access all related information in one place including a timetable of what would happen when, and 'frequently asked questions' to clarify queries. Staff were also formally consulted throughout the 'at risk', interview and recruitment stages from 6 January 2014.

6. Financial implications

- 6.1 The financial improvement generated by this business case were all from reduced salary costs - £300,000 recurring (full year), with £250,000 saving in 2014/15 (part-year). We are on track to achieve these savings with the introduction of the new operating model from 1 June 2014.
- 6.2 There is more information in the "new operating model" section on page 6, with "before and after" charts in Appendix 1 to help illustrate what has changed.
- 6.3 There is limited scope to increase income, as CFM's main function is to be a streamlined, specialist service for the rest of the Council. However, there should be some further procurement efficiencies following team mergers.

7. Equality and Diversity Implications

- 7.1 Please [click this link](http://www.colchester.gov.uk), or follow this pathway from the homepage of www.colchester.gov.uk: Council and Democracy>Policies, Strategies and Performance>Equality and Diversity>Equality Impact Assessments>Corporate and Financial Management>Business Case.

8. Other Standard References

- 8.1 No specific Human Rights, Community Safety or Health and Safety implications.

9. Risk Management Implications

- 9.1 The principal risks associated with this review have been associated with our capacity to deliver this change, the retention of key members of staff during the change, the effect on performance, income and customer service during transition, the potential for customer dissatisfaction resulting from fewer resources to serve them, and the ability of staff to manage with fewer teams and greater responsibilities. These risks are being actively managed by the project sponsor, the Head of Service and by the new GMT managers.

CFM FSR Business Case – progress report ‘one year on’

The CFM FSR business case was considered by Scrutiny Panel on 29 October 2013 and approved by the Cabinet on 27 November 2013.

The 3 goals of the business case were summarised as:

1. introduce a new operating model for the service
2. improve our efficiency and deliver £300,000 budget savings each year
3. enable the service to be more customer-focused, resilient and sustainable.

Significant achievements have been made ‘one year on’ from approval of the business case in November 2013 and ‘go live’ of the new service on 1 June 2014.

This report summarises our progress to date in achieving these goals, and concludes with an outline of next steps. It is followed by a “before and after” structure chart at Appendix 1.

Background

The business case would deliver a new operating model with five themes:

- demand management
- better understanding and earlier intervention
- re-modelling
- capacity for effectiveness
- culture change.

The main issues for improvement were:

- **earlier intervention:** a need to get involved with customers’ projects earlier to offer better service and to avoid causing any delays
- **co-ordination:** a need to better co-ordinate the disciplines within CFM and their support for customers
- **resilience:** a need to improve the resilience of CFM processes with a high number of staff currently performing ‘single person’ roles
- **separation of specialist and process work:** to avoid specialists also performing the routine process or administration work of the Service.

Taking our inspiration from the Council’s corporate goals, we will create and embed a culture that:

- focuses on adding value to our customers
- enables multi-skilled working
- supports the Council’s commercial ambitions.

Achieving the 3 goals of the CFM FSR business case

1. Introduce a new operating model for the service

The new operating model was introduced after a period of staff consultation and recruitment in Spring 2014. This new model has:

- introduced an entirely new organisational structure for the service
- reduced the number of general managers from 10 to 4
- streamlined the 'before v after' overall staff resource by around 12%
- separated out the process elements from specialist tasks, shifting 10% of CFM's salary budget to the new Council-wide Professional Support Unit
- migrated the Buildings and Facilities team to Colchester Borough Homes (CBH) to achieve greater resilience and efficiencies, shifting a further 14% of salary budget
- merged the Town Hall Events team with the Charter Hall Events team, as part of the Council's Operational Services
- facilitated better co-ordination by merging the teams within the service
- encouraged multi-skilling, for example the number of separate job titles and roles in the service has reduced by 47%
- placed a greater emphasis on customer service.

2. Improve our efficiency and deliver £300,000 budget savings each year

The savings were all from salary costs - £300,000 recurring (full year), with £250,000 saving in 2014/15 (part-year). We are on track to achieve these savings with the introduction of the new operating model from 1 June 2014.

3. Enable the service to be more customer-focused, resilient and sustainable

The recruitment to new roles tested candidates' approach to providing excellent customer service and prioritised this criterion in the selection process.

The merger of specialisms within the service under common management teams is already improving how service to customers is co-ordinated.

As a result a new set of customer commitments has been sent to all managers in the organisation to empower them to 'hold us to our promises'.

We are now taking the implementation of the FSR to the next level. Some examples of achievements since 'go live' in June 2014 are shown on the next two pages, followed by our future plans.

Implementing themes/improvements - what have we done so far?

Some examples are:

Demand management and self-serve

CIMS, the new online system for publishing committee papers was launched in August and enables people to easily access the information they want electronically. Work has started to introduce a new finance system called 'Collaborative Planning' which will enable people to better set and manage their own budgets without the need for data entry by an Accountant.

Better understanding and earlier intervention

3 individuals have taken on the extra responsibility of being Account Managers. These roles are to liaise with customers to ensure they receive support from the relevant officers within CFM at the right time to aid the delivery of their work or projects. Some of our customers have already started to use these people to help them scope the corporate support they will need in their projects.

Remodelling

New Job Accountability Statements and Person Specifications were written for every role in CFM, to reflect the requirements of the new operating model and of the Council's organisational values of 'customer, business and culture'. This led to more than 95% of permanent postholders being put 'at risk' – which reduced to 31% after a 'matching' process of staff against new roles. Being in a new role or a new team has opened opportunities for all staff who remained within the service.

During the last year:

- the number of team managers was reduced from 10 to 4
- 9 posts were made redundant – 7 voluntary and 2 compulsory
- about 25% of CFM staff 'merged' into other teams outside of the service - the PSU, events and online teams within the Council, and the Facilities team is now in CBH
- 5 new people have joined from outside CBC as a number of CFM staff decided to take up opportunities elsewhere.

We are starting to see many examples of improved effectiveness as a result of a structure that aids co-ordination rather than hinders it. Some early examples include:

- The ICT team have been handling several significant corporate change projects such as moving our data centre and introducing a new telephony system. These changes require staff and councillors to receive key messages along the way. Having combined our ICT and Communications functions, we have been better able to ensure we keep our customers up-to-date.
- By incorporating our Health and Safety and Governance functions, we have been able to co-ordinate our approach to policy making and reporting.
- By incorporating our corporate performance reporting and our project reporting under the same roles, we have been able to increase the frequency of reporting to customers, now producing key performance reports monthly.

Multi-skilling and resilience

The new structure significantly reduced the number of separate roles by introducing more generic job descriptions to encourage multi-skilling. Managers are now facilitating peer-to-peer training so officers can take on their wider responsibilities.

Capacity for effectiveness

The new operating model included some increased resource where we lacked it before. These have included new internal communication capacity which is helping us meet some of the recommendations from the Council's recent Peer Challenge.

Culture change

We held a workshop in July for all CFM staff to agree how we will deliver improvements to our customer service. As a result a new set of commitments were sent to our internal customers. These are shown below:

P-I-T-C-H

Professional

We commit to give professional, quality advice in plain English and have a can do, solution based attitude.

Informed

We commit to invest time to understand our customers' needs so each piece of advice we give is bespoke and appropriate.

Timely

We commit to give prompt responses, agree a time frame, make a plan of action where necessary and give regular updates.

Clear

We commit to have a well defined structure, and well defined roles so you know who we are, what we do and how we can help.

Holistic

We commit to make connections so a task or project is not looked at in isolation but how it affects everyone.

Our next steps

1. CFM is on track to deliver its FSR saving for 2014-15 as well as achieving its regular savings targets relating to vacant posts.
2. The few remaining vacant posts within the structure are either being recruited to at present or are being reviewed for appropriateness.
3. Following the integration of the Strategic Change Team into CFM as part of this FSR, the team's role and functions are now being reviewed.
4. Training for staff to broaden their roles and to realise our aspirations of multi-skilling is ongoing.
5. As people learn their new roles, we are actively monitoring whether we have the right resources in the right areas to meet the organisation's needs.
6. CFM's Management Team is producing a 2-year plan for 2015-17 to chart the work which the Council is likely to require of us, and to plan further pro-active changes.
7. Develop the potential to position CFM as a credible commercial/shared service partner.