

Scrutiny Panel

**Grand Jury Room, Town Hall
29 October 2013 at 6.00pm**

The Scrutiny Panel examine the policies and strategies from a borough-wide perspective and ensure the actions of the Cabinet accord with the Council's policies and budget. The Panel reviews corporate strategies that form the Council's Strategic Plan, Council partnerships and the Council's budgetary guidelines, and scrutinises Cabinet or Portfolio Holder decisions which have been called in.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services.

Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to meetings, with the exception of Standards Committee meetings. If you wish to speak at a meeting or wish to find out more, please refer to Attending Meetings and "Have Your Say" at www.colchester.gov.uk

Private Sessions

Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Mobile phones, pagers, cameras, audio recorders

Please ensure that all mobile phones and pagers are turned off or switched to silent before the meeting begins and note that photography or audio recording is not permitted.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to Angel Court Council offices, High Street, Colchester or telephone (01206) 282222 or textphone 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

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Scrutiny Panel – Terms of Reference

1. To fulfil all the functions of an overview and scrutiny committee under section 9F of the Local Government Act 2000 (as amended by the Localism Act 2011) and in particular (but not limited to):
 - (a) To review corporate strategies;
 - (b) To ensure that actions of the Cabinet accord with the policies and budget of the Council;
 - (c) To monitor and scrutinise the financial performance of the Council, performance reporting and to make recommendations to the Cabinet particularly in relation to annual revenue and capital guidelines, bids and submissions;
 - (d) To review the Council's spending proposals to the policy priorities and review progress towards achieving those priorities against the Strategic and Implementation Plans;
 - (e) To review the financial performance of the Council and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors;
 - (f) To review or scrutinise executive decisions made by Cabinet, the North Essex Parking Partnership Joint Committee (in relation to decisions relating to off-street matters only) and the Colchester and Ipswich Joint Museums Committee which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
 - (g) To review or scrutinise executive decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
 - (h) To monitor the effectiveness and application of the Call-In Procedure, to report on the number and reasons for Call-In and to make recommendations to the Council on any changes required to ensure the efficient and effective operation of the process;
 - (i) To review or scrutinise decisions made, or other action taken, in connection with the discharge of functions which are not the responsibility of the Cabinet;
 - (j) At the request of the Cabinet, to make decisions about the priority of referrals made in the event of the volume of reports to the Cabinet or creating difficulty for the management of Cabinet business or jeopardising the efficient running of Council business;
2. To fulfil all the functions of the Council's designated Crime and Disorder Committee ("the Committee") under the Police and Justice Act 2006 and in particular (but not limited to):
 - (a) To review and scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions;
 - (b) To make reports and recommendations to the Council or the Cabinet with respect to the discharge of those functions.

COLCHESTER BOROUGH COUNCIL
SCRUTINY PANEL
29 October 2013 at 6:00pm

Members

Chairman : Councillor Beverly Davies.
Deputy Chairman : Councillor Marcus Harrington.
Councillors Dave Harris, Jo Hayes, Gerard Oxford,
Kevin Bentley, Nick Cope, Peter Higgins and Mike Hogg.

Substitute Members : All members of the Council who are not Cabinet members
of members of this Panel.

Agenda - Part A

(open to the public including the media)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief and items 6 to 9 are standard items for which there may be no business to consider.

Pages

1. Welcome and Announcements

(a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Chairman's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched to silent;
- the audio-recording of meetings;
- location of toilets;
- introduction of members of the meeting.

2. Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3. Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any interests they may have in the items on the agenda. Councillors should consult Meetings General Procedure Rule 7 for full guidance on the registration and declaration of interests. However Councillors may wish to note the following:-

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.
- If a Councillor has a disclosable pecuniary interest in a matter being considered at a meeting, he/she must not participate in any discussion or vote on the matter at the meeting. The Councillor must withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Where a Councillor has another pecuniary interest in a matter being considered at a meeting and where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Councillor's judgment of the public interest, the Councillor must disclose the existence and nature of the interest and withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Failure to comply with the arrangements regarding disclosable pecuniary interests without reasonable excuse is a criminal offence, with a penalty of up to £5,000 and disqualification from office for up to 5 years.

5. Minutes

1 - 3

To confirm as a correct record the minutes of the meeting held on 10 September 2013

6. Have Your Say!

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

7. Decisions taken under special urgency provisions 4 - 5

To note any Portfolio Holder decisions taken under the special urgency provisions.

See report by the Assistant Chief Executive

8. Referred items under the Call in Procedure

To consider any decisions taken under the Call in Procedure.

9. Items requested by members of the Panel and other Members

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.

10. Work Programme 2013-14 6 - 8

See report by the Assistant Chief Executive.

11. Fundamental Service Review of Corporate and Financial Management 9 - 36

See report by Executive Director, Pam Donnelly

12. Exclusion of the public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government

Act 1972).

**SCRUTINY PANEL
10 SEPTEMBER 2013**

Present :- Councillor Beverly Davies (Chairman)
Councillors Kevin Bentley, Nick Cope, Marcus
Harrington, Dave Harris, Jo Hayes and Mike Hogg
Substitute Member :- Councillor Theresa Higgins for Councillor Peter Higgins
Also in Attendance :- Councillor Paul Smith

23. Apologies

Councillor Gerard Oxford gave his apology for not attending the meeting.

24. Minutes

The minutes of the meeting held on 20 August 2013 was confirmed as a correct record.

25. Work Programme

RESOLVED that the Panel noted the Work Programme.

26. Final Overview - firstsite - the construction project for Colchester's Visual Arts Facility

Councillor Bentley (in respect of the company Mosaic being a business partner of firstsite, and being a Member and Portfolio Holder at Essex County Council) and Councillors T. Higgins and Harris (in respect of being Members of Essex County County) all declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5):

Final Overview – firstsite – the construction project for Colchester's Visual Arts Facility

The Panel was invited to undertake a final overview of the outturn of the construction project which delivered 'firstsite', Colchester's Visual Arts Facility.

Councillor Smith, Portfolio Holder for Business and Resources, and the responsible Portfolio Holder during the final days of the project, and Mr. Ian Vipond, Strategic Director of Commercial and Place attended the meeting for this review. Mr. Vipond introduced the report.

Mr. Vipond said the Finance and Audit Scrutiny Panel had undertaken several reviews of the firstsite project while it was under construction and particularly in the context of the works becoming stalled and project costs increasing substantially, and this report provided the Scrutiny Panel with the final overview of the construction project of firstsite.

Mr. Vipond explained how the project had stalled following the construction going off the rails and resulting financial increases. The project recommenced, with Councillors Hunt and Smith as the responsible Portfolio Holders during this second phase, operating with revised budgets and timescales and was completed within budget and on time.

The Council did seek to recover the additional monies, and a substantial amount was recovered, with significant sums repaid to the Council and other main funders of the second phase work.

Mr. Vipond said the original objective, to provide an arts centre to Colchester, a flexible facility with a range of artistic and cultural activities has been realised and proved to be successful.

The intention of the firstsite project was to kick-start the regeneration of that part of the town centre, and whilst the regeneration was not as rapid as everyone would have liked, it was beginning to happen, with the Greyfriars building being converted into a 40 bedroom boutique hotel, East Hill House looking to proceed to convert to a fine dining restaurant, and the Old Police Station being redeveloped into the Creative Business Centre.

Councillor Smith said the problems facing all the major funders five year ago were severe. The Council was given excellent advice from their legal representatives, and was, after recovery of all its legal costs, able to recover a substantial amount of money. Councillor Smith thanked all councillors for supporting the additional funding required to support the legal action that was taken.

Councillor Harrington said a recent Scrutiny Panel meeting held at the Auditorium, firstsite, the meeting was beset with problems, including poor sound acoustics, faulty microphones, inadequate air conditioning and a lack of refreshments. Councillor Smith said that due to financial restraints during the second phase of development there had to be some compromises made, whereas seven years ago it was envisaged that all the fit-out would be state of the art. This accepted, Councillor T. Higgins said the sound system at firstsite was very good, but what was needed on site was a sound technician for events such as public meetings.

Councillor Harris said it was important that lessons had been learnt from this development, but closure was long over-due, time to move on.

Councillor Bentley said he had supported the visual arts facility project from the outset and congratulated the Administration on successfully delivering the firstsite project, and believed it was an excellent building and arts facility. Councillor Bentley endorsed the report that provided the final overview.

Councillor Hayes concurred that it was important that lessons had been learnt regarding avoiding the commencement of works without contracts being signed. Councillor Hayes commented on how magnificent the firstsite building looked when observed from outside the Natural History Museum on a recent 'Night of Action' in the Castle Ward. Mr. Vipond confirmed to Councillor Hayes that visitor numbers to firstsite are measured by an electronic door counter.

RESOLVED that the Panel noted the report providing the final overview of the outturn of the construction project which delivered firstsite, Colchester's visual arts facility.



Scrutiny Panel

Item

7

29 October 2013

Report of	Assistant Chief Executive	Author	Amanda Chidgey
Title	Decision Taken Under Special Urgency Provisions		
Wards affected	Not applicable		

This report gives details of a portfolio holder report which was taken in accordance with the special urgency provisions.

1. Decisions Required

- 1.1 The Panel is requested to note the details of a report taken by a portfolio holder in accordance with the Special Urgency Provisions.

2. Alternative options

- 2.1 This function forms part of the Panel's Procedure Rules and, as such, no alternative options are presented.

3. Background

- 3.1 The Overview and Scrutiny Procedure Rules provide for the arrangement whereby decisions taken by the Cabinet or by individual portfolio holders are subject to call-in and an opportunity for scrutiny prior to implementation.
- 3.2 The Rules do, however, provide for circumstances whereby the call-in procedure will not apply where the decision being taken is deemed to be urgent (that is if any delay likely to be caused by the Call-In procedure would seriously prejudice the legal or financial position of the Council or the decision relates to the commencement of a statutory consultation process).
- 3.3 In these circumstances the Monitoring Officer and the Chairman or Deputy Chairman of the Scrutiny Panel are required to certify the immediate implementation of the decision and that the call-in procedure shall not apply. In addition details of the decision are required to be reported to the next meeting of the Scrutiny Panel for information.

4. Supporting Information

- 4.1 The following decision was recently taken in accordance with the Special Urgency Provisions outlined above:
- Report Title: Fees for Applications made under the Scrap Metal Dealers Act 2013
- Decision Taken: To approve the fees for applications to be made under the Scrap Metal Dealers Act 2013

Reason for
Urgency:

The matter is urgent because the Council needs to have in place approved fees in order to discharge its functions under the Scrap Metal Dealers Act 2013, which comes into effect on 1 October 2013; and to permit existing licence holders to exercise their grandfather rights before 15 October 2013 allowing them to continue to operate throughout the application process.

Link to decision: [Scrap Metal Dealers Act 2013 - Fees](#)

5. Standard References

- 5.1 There are no particular references to the Strategic Plan, publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications.



Scrutiny Panel

Item

10

29 October 2013

Report of	Assistant Chief Executive	Author	Amanda Chidgey
Title	Work Programme 2013-14		☎ 282227
Wards affected	Not applicable		

This report sets out the current Work Programme 2013-2014 for the Scrutiny Panel.

1. Decisions Required

- 1.1 The Committee is asked to consider and comment on the contents Panel's Work Programme for 2013-14.

2. Alternative options

- 2.1 This function forms part of the Panel's Terms of Reference and, as such, no alternative options are presented.

3. Supporting Information

- 3.1 The Panel's work programme will evolve as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the work programme to be reviewed and, if necessary, amended according to current circumstances.
- 3.2 It has been agreed that the review of the decision by Councillor Annie Feltham, Portfolio Holder for Communities and Leisure Services, on Allotment Charges and Review of Tenancy Agreements will take place at the Scrutiny Panel meeting on 12 November 2013.
- 3.3 North Essex Parking Partnership Chairman Braintree Borough Councillor Robert Mitchell has confirmed his attendance for the review of parking services in Colchester on 10 December 2013. However, Portfolio Holder for Highways, Essex County Councillor Rodney Bass has indicated he will be unable to attend as he has a prior engagement.
- 3.4 Dr Coutts, Chief Executive of Colchester Hospital University NHS Foundation Trust and Dr Sally Irvine, Chair of the Board of Directors have both confirmed their attendance for the review of Colchester Hospital on 28 January 2014.

4. Strategic Plan References

- 4.1 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

5. Standard References

- 5.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications.

WORK PROGRAMME 2013-14

Meeting date / agenda items and relevant portfolio
<p>11 June 2013</p> <ol style="list-style-type: none">1. 2012-13 Year-end Performance Report and SPAP (Leader / Head of Community Services)2. 2012-13 Revenue Expenditure Monitoring Report3. 2012-13 Capital Expenditure Monitoring Report
<p>2 July 2013 (extra)</p> <ol style="list-style-type: none">1. New Housing Arrangements (Housing / Head of Commercial Services) deferred from 11 June 2013
<p>23 July 2013 (briefing 18 July, 5pm, S11 Rowan House)</p> <ol style="list-style-type: none">1. Pre-scrutinise the Portfolio Holder decision 'To Close the Abbots Activity Centre' (Community and Leisure)2. Budget Strategy, Timetable and MTF (Leader / Business and Resources)3. Annual Report on Treasury Management (Business and Resources)
<p>20 August 2013 (briefing 14 August, 5pm, S11 Rowan House)</p> <ol style="list-style-type: none">1. 2013-14 Capital Monitor, period April – June2. 2013-14 Financial Monitor, period April – June
<p>10 September 2013 (briefing 5 September, 5pm, S11 Rowan House)</p> <ol style="list-style-type: none">1. Safer Colchester Partnership (Crime and Disorder Committee) (Planning and Community Safety)2. firstsite project: Final Overview (Scrutiny Panel)(I Vipond, Strategic Director)
<p>29 October 2013 (briefing 24 October, 5pm, S11 Rowan House)</p> <ol style="list-style-type: none">1. Corporate and Financial Management FSR - Pre Cabinet scrutiny of Business Case (Leader)2. Report of urgent decision where call-in does not apply
<p>12 November 2013 (briefing 7 November, 4.30pm, S11 Rowan House)</p> <ol style="list-style-type: none">1. Call-in – Allotment Charges and Review of Tenancy Agreements2. Localising Council Tax Support (follow-up on 2012-13 implementation review)3. 2013-14 Revenue Monitor, period April – September4. 2013-14 Capital Monitor, period April – September

10 December 2013 (briefing 5 December, 5pm, S11 Rowan House)

1. Review of Parking Services in Colchester (Street and Waste Services)
Presentation from Head of Operational Services and North Essex Parking Partnership Group Manager
2. Treasury Management – Half yearly update
3. 2013-14 6-monthly Performance report and SPAP (Leader / Business and Resources)

28 January 2014 (briefing 23 January, 5pm, S11 Rowan House)

1. Review of Colchester Hospital (Dr Coutts and Dr Irvine to attend)
2. 2014/15 Revenue Budget, Capital Programme and MTFP (Pre-scrutiny of Cabinet Decision (Leader / Business and Resources)
3. Treasury Management Investment Strategy
4. Homelessness Strategy (Colchester Borough Homes)

11 February 2014 (briefing 6 February, 5pm, S11 Rowan House)

1. 2013-14 Capital Monitor, period April – December
2. 2013-14 Revenue Monitor, period April – December

18 March 2014 (briefing 13 March, 5pm, S11 Rowan House)

1. Colchester Community Stadium Limited review (last review 20 March 2012)(Leader)



Scrutiny Panel

29 October 2013

Item
11

Report of	Executive Director	Author	Pam Donnelly Matt Sterling ☎ 282212/282577
Title	Fundamental Service Review of Corporate and Financial Management		
Wards affected	All		

The Panel is invited to review and comment on the business case and the draft Cabinet report relating to this Fundamental Service Review.

A Fundamental Service Review of Colchester Borough Council's Corporate and Financial Management Services began in April 2013.

The review has now reached the business case stage, and includes recommendations and decisions for the Cabinet.

The attached draft report to Cabinet recommends the approval of the business case.

Scrutiny Panel is asked to review and comment on this business case, ahead of the Cabinet meeting on 27 November 2013.

The business case and the draft Cabinet report are attached.



Cabinet

27 November 2013

Item

Report of	Executive Director	Author	Pam Donnelly Matt Sterling ☎ 282212/282577
Title	Fundamental Service Review of Corporate and Financial Management		
Wards affected	All		

This report concerns the Fundamental Service Review of Corporate and Financial Management, and the business case arising from this review – please note that this is a draft Cabinet report for scrutiny at Scrutiny Panel on 29 October 2013.

1. Decision Required

- 1.1 To approve the business case resulting from the Fundamental Service Review of Corporate and Financial Management (CFM FSR), and authorise the implementation stage of the review.

2. Reasons for Decision

- 2.1 To allow the implementation of the business case resulting from the CFM FSR, which will deliver improved customer service, greater service resilience and recurring revenue budget savings.

3. Alternative Options

- 3.1 The alternative option would be not to approve the business case or to ask for changes to be made to the proposals set out in the business case. In either scenario, the delivery of an improved customer experience and greater efficiency and effectiveness could be delayed or not delivered.

4. Supporting Information

- 4.1 The business case outlines the proposals from the CFM FSR. This review started in April 2013, following the FSRs of customer contact and of other council services.
- 4.2 This service is the backbone of the Council's activities, managing its performance and providing specialist support to other service groups to achieve their goals. CFM services currently include legal, financial, audit, procurement, democratic, civic, human resources, ICT, communications and marketing, buildings and facilities.

5. Proposals

- 5.1 The CFM FSR will:
- Introduce a new operating model for the service
 - Improve our efficiency and deliver £300,000 budget savings each year
 - Enable the service to be more customer-focused, resilient and sustainable.
- 5.2 The key features of the proposals are shown on page 3 of the business case.

6. Approach taken

- 6.1 This FSR built on the successful methodology of previous reviews, and involved:
- Considering the Council's changing needs arising from the Universal Customer Contact FSR
 - Considering feedback from the Service's internal customers
 - Analysing the activities performed by each officer within the service
 - Holding three workshops with staff from the service and customers
 - Holding a workshop with the Senior Management Team to test our initial ideas
 - Regular liaison with the Portfolio Holder
 - Developing and testing the ideas for improvement
 - Regular communication with staff via team meetings and a fortnightly e-mail update, and a monthly meeting with Unison.
- 6.2 During this review, CFM customers said they generally appreciated its services and the way it works. However, they also said they wanted the Service to change to make dealing with it easier, and so that it could add more value to their work. The review identified significant common ground between staff and customers on the main issues for improvement.
- 6.3 The most important of these are:
- **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.
- 6.4 This 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.

These themes are described in more detail in section 4 of business case. Appendix 1 is an illustration of how the improvements and themes fit together in the new operating model.

7. Strategic Plan References

- 7.1 The proposals contribute to the vision and broad aims set out in the Strategic Plan 2012-15, and the priority area of delivering high quality, accessible services.

8. Consultation and publicity considerations

- 8.1 Customers, staff and Unison have played an important part in the development of this business case. Please see section 9 of the business case for more information.
- 8.2 Employee engagement and involvement is key to the success of the review. A communications and engagement plan has been in place since April 2013, and staff have been encouraged to input their experience and ideas into the proposals. This plan would continue through into the review's implementation stages so people are clear about what is happening when, and how they can keep informed.

9. Financial implications

- 9.1 The financial implications of the proposals are on page 19 of the business case.
- 9.2 No revenue or capital investment is required to achieve the savings shown. The financial improvement generated by this business case is from reduced costs.
- 9.3 There is limited scope to increase income, but there should be some further procurement efficiencies following team mergers.

10. Equality and Diversity Implications

- 10.1 The screening stage for an Equality Impact Assessment has been carried out, and is available by [clicking this link](#), or following 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.

11. Other Standard References

- 11.1 There are no specific Human Rights, Community Safety or Health and Safety implications at this point. As with Equality and Diversity above, the implications for these areas will be considered at the implementation stage.

12. Risk Management Implications

- 12.1 The high-level risks associated with this review have been identified in Appendix 2.

Background Papers (for the Cabinet report 27 November once Scrutiny taken place)

Scrutiny report and minutes – 29 October 2013.



Fundamental Service Review of Corporate and Financial Management

Business Case

The over-arching vision for the transformed Corporate and Financial Management service is for the service to be the 'enabler' of all the Council achieves, and to be viewed by its customers as 'adding value'.

For Scrutiny Panel –
29 October 2013

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Appendices

1. Operating model
2. Risk register.

Background papers

1. Opportunities – full report for each of the Opportunities described in section 6.
2. Communications and Engagement Plan – April to December 2013.

1. Executive summary

The over-arching vision for the transformed Corporate and Financial Management service is for the service to be the 'enabler' of all the Council achieves, and to be viewed by its customers as 'adding value'.

Summary of change

This business case includes a new operating model for the Service, as shown in Appendix 1. This new model is for a Service that better manages demand, understands our customers' needs better and gets involved with their work at an earlier stage, separates our routine processes from our more specialist work, and also reduces the number of separate teams within the Service to improve their co-ordination.

The new model is based on five themes:

- Demand management
- Better understanding and earlier intervention
- Re-modelling
- Capacity for effectiveness
- Culture change.

The key features of the change are:

- 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 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.

Financial summary

The new operating model will deliver the following General Fund revenue savings, starting in 2014-15:

To be – by year	Savings
Year 1 (assuming June 2014 'go live')	£250,000
Year 2	£50,000
Full-year recurring saving	£300,000

2. Fundamental Service Review

The Council has conducted a Fundamental Service Review of its Corporate and Financial Management Service (CFM FSR). This review started in April 2013, and has used the successful methodology developed through previous reviews across the range of Council services.

This review has involved:

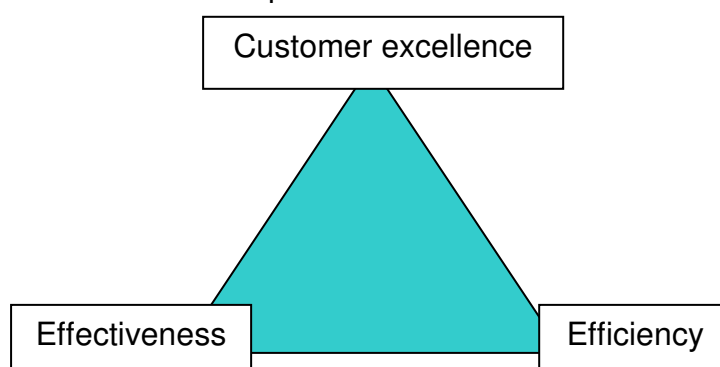
- Considering the changing needs of the Council arising from the Universal Customer Contact FSR (UCC FSR)
- Considering customer feedback that we have received through a Council-wide customer survey as well as from Senior Managers
- Analysing the activities performed by each officer within the service
- Holding three staff and customer workshops to develop ideas for improvement
- Holding a workshop with the Senior Management Team to test our initial ideas
- Regular liaison with our Portfolio Holder
- Developing the ideas arising from the workshops or suggestion boxes
- Regular communication with staff via team meetings, a fortnightly e-mail update, and a monthly meeting with Unison.

Using the experience gained from implementing previous FSRs, the proposals in this business case have also been tested with a small group of key managers within the Service and from the Executive Management Team. This has involved testing the proposed new structures and resource allocations to increase our confidence that the new operating model will deliver the outcomes we want after implementation.

This business case presents an opportunity for the service to change to achieve three goals:

- **Improved Customer service:** to make further improvements following the team reviews implemented over recent years (Human Resources, Communications and Marketing, ICT and Finance)
- **Better 'fit for purpose':** to ensure the service remains so as the Council changes to achieve its UCC FSR goals
- **Efficiency:** to achieve a recurring revenue budget saving.

The outcomes of the opportunities set out in this business case are driven by the same three drivers as our previous FSRs:



The outcomes of the opportunities set out in this business case include:

Customer Excellence

- Earlier intervention with our customers' work to offer a better, more timely service
- Better co-ordination of our teams to ensure a more 'joined-up' service
- Staff with excellent customer skills across the service.

Efficiency

- Use of technology to speed up customer transactions by allowing customers to serve themselves, and to reduce overheads
- Identification of customer trends to direct 'capacity building' training to reduce future demand
- Increased multi-skilling across teams
- Reduced cost base in key service areas.

Effectiveness

- Separation of rule-based processes from judgement-based advice
- Merger of similar small teams in different parts of the Council
- Greater capacity to drive organisational change throughout the Council.

Alternative options explored but rejected include:

'Do nothing'

- The changes introduced by the UCC FSR are resulting in new support needs from our customers. For example, increased trading activity will require us to operate in a more commercial fashion.
- The Council's financial position demands efficiencies of this Service which require change to be delivered.

Outsourcing

Some of the functions that would otherwise be part of the Service have already been outsourced such as ICT support, printing and cleaning. These opportunities were taken where it is judged an activity is better or more efficiently performed by a private sector partner. However:

- Some of the legal, financial, democratic and HR activities within the Service perform roles we are very unlikely or unable to outsource.
- The Council benefits from having the advice and support from the Service's specialists integrated throughout its work and available in a highly flexible fashion. To achieve this in a contract with a private supplier would likely result in either higher cost or reduced flexibility.

De-centralise our corporate functions

This option has been rejected as likely to reduce:

- Efficiency as we have found that duplication is reduced when we have centralised activities (such as Communications and Marketing) previously performed by each of the various Service areas
- Resilience as our centralised support services have sufficient size to be more resilient than activities performed by one or two individuals in each Service area.

3. The situation ‘as is’

Corporate and Financial Management is the backbone of the Council’s activities, managing its governance and providing specialist support to the other service groups to achieve their goals. Current services include:

- Legal
- Financial, Audit and Procurement
- Democratic and Civic
- Human Resources
- Information and Communications Technology
- Communications and Marketing
- Building Services and Facilities.

A small number of services are provided to the public, including event hire at the Town Hall.

One particular challenge for Corporate and Financial Management is to balance its twin roles of providing customer service, with ‘policing’ to ensure all services comply with legal requirements and corporate protocols. This is a difficult balance to get right while maintaining the satisfaction of customers.

The Service has an annual net revenue budget of £5.9 million. This includes 108 people amounting to the equivalent of 94 full-time members of staff (FTEs).

The current staff resource allocation, including on-costs, is shown below.

‘As is’	FTEs	FTE cost - £000
Buildings and Facilities	18.8	570
Communications and Marketing	9.2	332
Democratic and Civic Services	7	246
Finance	21.7	862
Human Resources	13.8	495
ICT	13	387
Legal	7.5	374
Management, Support and Projects	2.9	162
Total	93.9	3,428

In recent years, some teams in the Service have held reviews to improve ways of working. These have delivered significant savings. However, the Service as a whole is still divided into a large number of small teams and has 10 Group Management Team (GMT) level managers.

Our analysis of activity in the group shows:

- The staff resources available for the different disciplines within the Service vary considerably
- Specialist and process tasks are mixed within the same teams, and often within the responsibilities of the same individuals
- Despite the large number of GMT managers, many are engaged in fairly routine work that distracts them from strategic leadership

- Many of the Business Partners we currently have spend a good deal of their time on routine process work rather than providing direct customer service to their service groups
- There is significant opportunity for self-serve and process improvement. The costs identified in the UCC FSR business case apply equally to internal customers, so are worth restating here to indicate the potential level of savings from new ways of working: “According to the latest SOCITM research, the difference in the cost of a local authority servicing contacts via different channels are 15p web, £2.83 by phone and £8.62 for face-to-face.”

Performance

The Service is currently managing a £2.7m ICT improvement programme and a £4m buildings maintenance and capital works programme. It serviced 103 public Council meetings last year and around 130 recruitment processes arising from vacancies or reorganisations. The Legal team dealt with more than 300 cases. The service supports seven websites including the Council’s intranet. National accreditations include the Customer Service Excellence Standard, Lexcel for the Legal team, CIPFA’s Employer Accreditation, and Charter Status for Elected Member Development.

The Service shares activities with other councils through its contract for ICT system support (Braintree, Castle Point and Rochford), and with ‘Vine’ which is the Essex-wide online HR Partnership. The joint ICT contract was commended in the 2013 LGC awards: “The collaboration is already on course to deliver savings of £7m over a five-year period, as well as seeing a transformation in business processes”. Vine won the PPMA’s HR initiative of the year in 2012 for transforming the way they deliver HR to build sustainable performance.

Room for improvement

During this review, CFM’s customers told us they generally appreciated our services and the way we work. However, they also said they wanted us to change to make dealing with us easier and so we could add more value to their work. Happily, the review identified lots of common ground between our staff and our customers on the main issues we want to improve.

The most important of these are:

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

4. New operating model

This business case proposes a new operating model for the Service which better manages demand, understands our customers' needs better and gets involved with their work at an earlier stage, separates our routine processes from our more specialist work, and also reduces the number of separate teams within the service to improve their co-ordination.

The new operating model is shown at Appendix 1.

The business case also proposes work to embed a new culture in the Service to enable the new ways of working that this operating model will require.

1. Demand Management

Self-serve

The Service has launched several forms of 'self-serve' to reduce demand. These include 'My View' for HR processes. We have identified more customer journeys that lend themselves to self-serve to achieve further efficiencies. This relies on the provision of new technology such as the Knowledge Bank.

Behaviour change

Many of the service requests into our Service are frequent and routine in nature. By creating the capacity to spot patterns in these requests, we will provide 'capacity building' or 'behaviour change' training for customers to reduce their need to ask us for help in future.

2. Better understanding and earlier intervention

Account Management

We will use account management techniques to identify the appropriate support for our customers' core businesses and projects earlier. This will allow us to better understand the emerging needs of our customers, to improve the service we give, and avoid the problems that arise from intervening late.

Collaborative teams

The Service has people with similar roles such as Business Partners in different teams. We judge that it is not possible to merge these into single multi-skilled roles as they need to have in-depth specialist knowledge. However, we will bring these people together in 'collaborative teams' to share best practice, create common standards of customer service, and share tasks where appropriate.

Strategists

The Council has a need for the Service to give expert advice at a strategic level. We will create new GMT roles that include this responsibility, and which co-operate in a collaborative team to do so.

3. Remodelling

Efficiency

The Service is divided into 10 GMT areas, and has no Professional Support Unit or Group Support. By merging these GMT areas, and by separating out 'rule-based' processes from 'judgement-based' specialist work, we can achieve efficiencies by reducing the management overhead and through multi-skilling roles.

Resilience

The Service has a high proportion of single-person roles. As well as being inefficient, this reduces the resilience of some key processes. We will bring similar roles together and encourage multi-skilling to improve our resilience.

Taken out of baseline

We will achieve efficiencies and improve effectiveness by merging some of our teams with those of other service groups. We will do this where we have teams doing similar work and where, by merging, we can create economies of scale.

4. Capacity for effectiveness

Increased resource

The Service 'as is' lacks resource in certain key areas. In particular it lacks dedicated resource to manage organisational change and for internal communications. We will address these gaps by creating new responsibilities within the service.

Buying better

The UCC FSR includes a commitment to improve our procurement regime to deliver significant savings. This will involve a new role in Commercial Services to oversee our approach to buying. We will organise ourselves to ensure our procurement responsibilities and activities form part of this new whole-Council approach.

Managing performance

The Council's need to deliver effective services and outcomes at a time of diminishing resources will require us to manage our performance and productivity very actively. We will include the resource to do this for the Council as a whole as well as for the Service.

Commercial accounting

The Council's plans to increase trading activity create a need for new skills in its support services. In particular, they create a need to develop our understanding of commercial accounting to be clearer about profit and loss. We will explore how to resource this need with colleagues in Commercial Services.

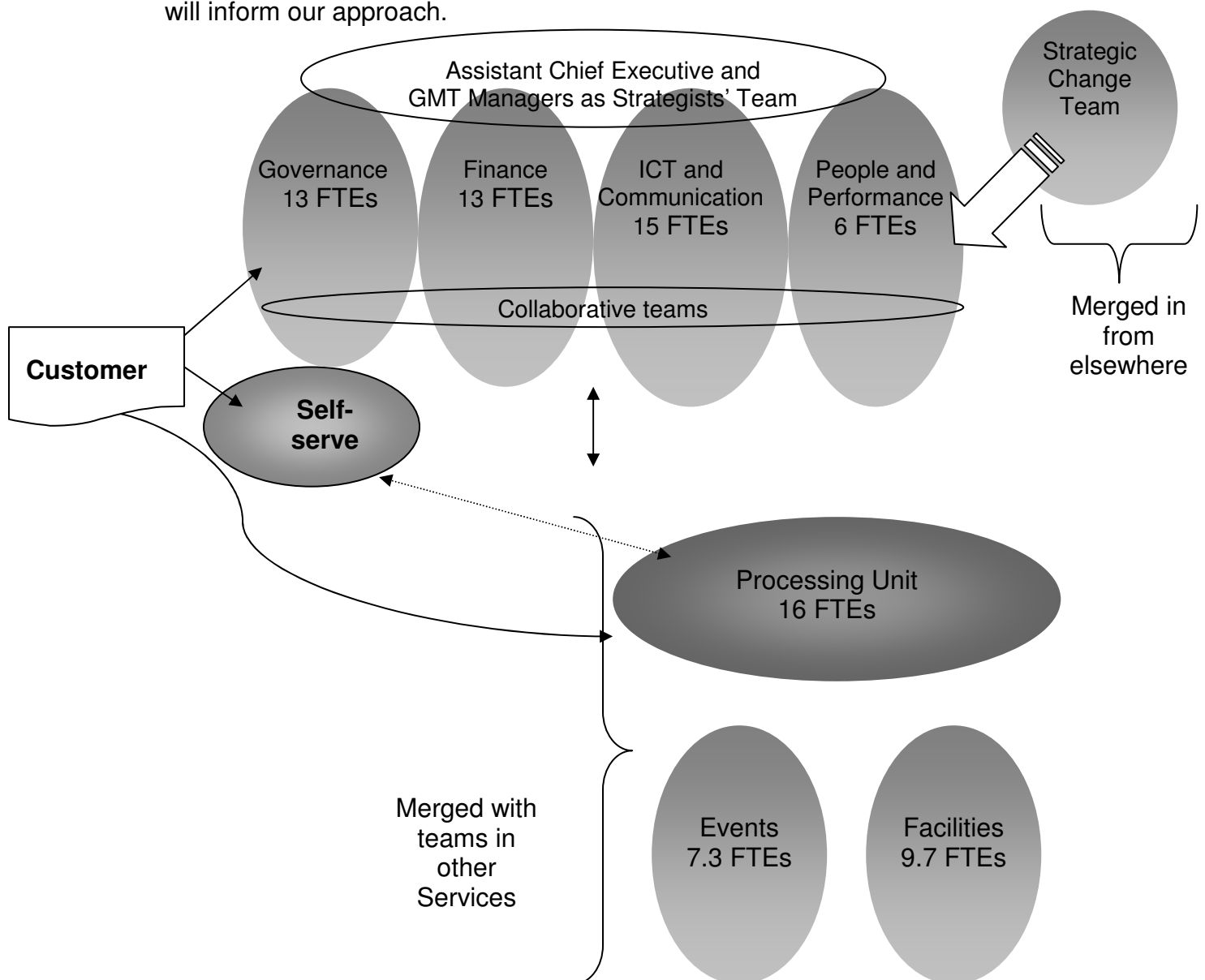
5. Culture Change

The Service lacks a single coherent culture at present, so behaviours and service standards vary considerably.

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.

This new operating model is significantly different from the current operation of CFM. It will involve change for officers and will take some time to implement. However, the organisation has now implemented several service-based FSRs, and the lessons from these experiences have been learned and will inform our approach.



Appendix 1 shows how the culture, themes and operating model fit together.

5. Customers

In January 2013 we surveyed our internal customer about their satisfaction with the service they receive from CFM. This was before the Strategic Finance function was merged into the service.

This survey shows that just 65% of our customers are 'satisfied' or 'very satisfied' with our services; with satisfaction for individual teams ranging from 50% to 79%. 3% of our customers say they are 'dissatisfied' with our service.

Typical comments from customers include:

- "All colleagues are friendly and willing to help with enquiries"
- "Sometimes feels like the team wishes to dictate to the service how things should be done."
- "The level of satisfaction very much depends upon which person is allocated my case"
- "Responses to e-mails or calls are very slow".

The experience 'as is' for customers

There are currently 10 GMT teams. The Service employs some extremely knowledgeable and experienced people, and so this arrangement works reasonably well for 'business as usual'. However, when customers require support for new or project work, this arrangement creates confusion. It can be difficult to understand the different responsibilities of these teams, and which to involve at which stage.

Currently, some teams include Business Partner roles while some do not. Business Partner roles have tended to be popular with our customers, as they are pro-active in learning the priorities of the services which they support and provide continuity of service. However, Business Partners do not currently cover all of the work of the Service.

Customers are able to self-serve on a limited range of functions at present – chiefly some HR functions through the 'My View' function on the intranet. However, this self-serve is both limited and not extensively promoted.

Several of the teams have divided themselves between their Business Partner roles – taking primary responsibility for pro-active customer service – and 'back-office' support. One particularly good – and popular – example is Human Resources whose back-office is known as the HR Service Centre. The staff in the HR Service Centre have pioneered multi-skilling, and try to serve customers on all topics.

The Service has twin responsibilities to help customers achieve their goals, while ensuring they comply with the law or corporate protocols. Some of our customers tell us we get this balance wrong, appearing to be keen to say 'no'.

What do the changes mean for customers?

The changes proposed in this business case will give customers:

- The ability to self-serve on a much wider range of services
- More training on the issues with which they often need CFM's help
- One key contact in CFM who can ensure they get the service they need from the relevant people
- A more co-ordinated service from the different specialists within CFM
- Faster provision of advice and support.

6. Opportunities

The workshops identified 14 opportunities for change. These were developed and tested by 11 people within the service.

The 14 opportunities were:

- | | |
|---------------------------------------|------------------------------------|
| 1. Self-serve and process improvement | 7. Facilities Management |
| 2. Training and up-skilling Customers | 8. Professional Processing |
| 3. Early intervention | 9. Account Managers |
| 4. Procurement | 10. Multi-skilling and Flexibility |
| 5. Risk | 11. Specialists |
| 6. Events | 12. Matrix Management |
| | 13. Other Organisational Models |
| | 14. Culture Change. |

Following their development and testing, these opportunities have informed the five themes of the new operating model, which are:

- Demand management
- Better understanding and earlier intervention
- Re-modelling
- Capacity for effectiveness
- Culture change.

Each theme includes specific change proposals. These are shown below:

1. Demand Management

Change Proposals	Details of change	Links to Opportunities
1.1 Introduce self-serve	43 CFM activities have self-serve opportunities and 7 have triage opportunities, including some potential quick wins particularly in HR. We will introduce a Task Management System for requests for non-project support, with the Hub as the customer entry point. We will use the new UCC technology to create a similar service for internal and external customers. We will include a resource to map our customer journeys and undertake process improvement activity – promoting a continuous improvement culture.	1
1.2 Introduce behaviour change training	We will use our understanding of customers' service requests to create an evolving package of regular training, web-based training and internal consultancy advice to encourage people to be able to 'help themselves'.	2

2. Better understanding and earlier intervention

Change Proposals	Details of change	Links to Opportunities
2.1 Assign account management responsibilities	<p>The Business Partner roles within CFM are particularly popular with our customers but they do not cover all of the disciplines within the Service, are not co-ordinated across them, and their value is only realised if Service groups know which Business Partners to involve and when.</p> <p>We will appoint some of our Business Partners to also act as Account Managers for a whole Service group. They will develop an understanding of the whole support needs of that service and ensure the appropriate Business Partners get involved at the right times. They will act as 'team leaders', being the enabler who ensures that different Business Partners within CFM work together to support the customer.</p>	3, 9
2.2 Create collaborative teams	<p>'Multi-skilling' all our Business Partners to cover all the disciplines within CFM is not considered feasible and is not popular with our customers.</p> <p>We will, therefore 'house' the Business Partners in their specialist teams.</p> <p>However, their approach to customers, and the way they operate ought to reach common standards across the Service. We will use collaborative teams across disciplines for training, service standards, and to rationalise meeting attendance. Other collaborative teams will be considered for other similar roles across the disciplines.</p>	11, 12
2.3 Assign 'strategists' responsibilities	<p>Our specialist GMT managers need to provide strategic advice to the Council on their specialist subject. To enable this we will create new structures beneath them that allow for this, and add responsibilities to their roles. We will bring them together in a collaborative team to pool expertise.</p>	11, 12

3. Re-modelling

Change Proposals	Details of change	Links to Opportunities
3.1 Achieve efficiency	<p>We will create Professional Support Unit (PSU) roles with multi-skilled officer roles to achieve efficiencies with the Service's process-based work. These roles will create efficiencies by eradicating duplication and enabling the formation of multi-skilled teams that will be able to provide a more resilient business support service with fewer staff. We will merge these roles into the new Corporate PSU created by the UCC FSR.</p> <p>We will merge many of the disciplines within the specialist part of the Service to achieve efficiencies by reducing the management overhead and through multi-skilling roles.</p>	8, 10, 11, 12
3.2 Improve resilience	<p>A high proportion of the roles within the Service are performed by only one person, and we therefore lack resilience. Within the specialist teams, we will create more generic roles to encourage greater multi-skilling to improve this.</p> <p>As well as this general change, we will make a particular change to our roles relating to managing risk.</p> <p>The Council operates a traditional risk management function, which has grown out of the insurance processes. Currently these functions are provided by four different teams with external support from Essex County Council. We will bring these functions together to create a single 'Risk' team, with multi-skilled roles to provide a robust approach to identifying, controlling and managing all risk issues.</p> <p>Bringing HR investigations into risk services may mean that the use of consultants can be restricted to all but the very complex or delicate cases.</p>	5, 10
3.3 Take out of baseline by merging services	<p>Two of the services provided by CFM are also done elsewhere in the Council. By merging these we can create stronger teams that are more productive, efficient and commercial.</p>	6, 7

3.3 continued	<p>By merging the Town Hall Events team with the Charter Hall Events team, we will achieve greater economies of scale, greater resilience and create the opportunity to cross-sell each venue's specialised service and to introduce some new income revenue streams.</p> <p>By merging CFM's Buildings and Facilities functions with CBH's Property Services, we will deliver an immediate efficiency and create a more resilient approach to managing our buildings.</p> <p>This will allow the sharing of resources and professional expertise, reducing reliance on external consultants and contractors in delivering maintenance and capital works for the Council's corporate building assets.</p> <p>This will also give the Council access to CBH's established repairs reporting and work planning systems, which will improve speed and efficiency when dealing with responsive repairs to corporate building assets and also improve customer service.</p> <p>This merger should also create a vehicle to explore commercial business opportunities, via the delivery of building services and facilities management for other local authorities and partner organisations.</p>	
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4. Capacity for effectiveness

Change Proposals	Details of change	Links to Opportunities
4.1 Increase resources in key areas	<p>The UCC FSR has highlighted two areas of weakness for the Service which we will address to avoid jeopardising outcomes.</p> <p>The UCC FSR culture change will require us to drive organisational change work. We will create the resource to carry out the project work needed for initiatives such as the new approach to Talent Management and to Learning and Development.</p> <p>At a time of rapid change, the Council needs to be able to communicate effectively with its own officers and councillors. We will add new responsibilities to the communication roles to allow us to be more sure-footed when communicating internally.</p>	3, 11, 14

4.2 Buy better	<p>Following the Council-wide 'procurement health-check' report, we will work with colleagues in Commercial Services to create a new approach to Procurement.</p> <p>This will bring in commercial buying experience, enhance the leadership on procurement savings and compliance, and improve customer service.</p> <p>We will also ensure that our new approach to procurement is embedded with the Business Partners so that procurement advice can be given earlier in our customers' work. We will:</p> <ul style="list-style-type: none"> • Make the Council easier to do business with by ensuring that procurement processes are not overly bureaucratic and minimise costs to suppliers. • Refocus the Procurement Team to support the organisation under the leadership of the Buyer via matrix management arrangements, in accordance with the organisation's procurement cultural values. • Review use of the Braintree Hub and the roles / responsibilities expected. • Use multi-disciplinary teams for all major procurement projects to ensure the right skills are available and the right advice is given at the right time. • Providing training to managers on procurement to enable them to understand the process. • Encourage a genuine corporate approach to procurement and end 'silo procurement' by services to ensure compliance with the Council's strategic procurement requirements. 	4
4.3 Better manage performance	<p>The Service currently has a responsibility to manage several programmes of work as well as to monitor and report corporate performance against key indicators and the Strategic Plan Action Plan.</p> <p>The need for effective delivery at a time of diminishing resources requires us to manage performance actively. We will merge in the existing Strategic Change team to ensure a joined-up approach to managing programmes and performance.</p>	

4.3 continued	<p>By merging in this team we are better able to embed the UCC approach to managing organisational change and people management. It also gives managers access to a wider range of resources and avoids duplication.</p> <p>This merger builds a sustainable approach to managing programmes, performance and people at a time of ongoing change.</p> <p>We will also include new responsibilities for the account managers to ensure performance management is embedded early in our customers' work.</p>	
4.4 Enhance our commercial accounting expertise	<p>The UCC FSR envisages an increase in trading activity to generate a £1.98m surplus from new trading income over four years. This will require many of our customers to behave more commercially. Such a change will create a need to develop a greater understanding of commercial accounting in our Finance discipline and among our customers. We will explore how to resource this need with colleagues in the new Commercial Services group but will, in the meantime, leave sufficient resources in our Finance discipline to manage this change.</p>	4

5. Culture Change

Change Proposals	Details of change	Links to Opportunities
5.1 Create and embed a new culture	<p>The Service currently lacks a single coherent culture, so behaviours and service standards vary considerably.</p> <p>Four key factors drive our need to adopt and embed a new culture in the Service:</p> <ol style="list-style-type: none"> 1. the scale and pace of change are significant and affect everyone 2. new knowledge and skills are required 3. strong leadership will be required to implement our changes and to 'keep up' with a changing Council 4. our customers want us to add more value to their work. <p>Inspired by the Council's corporate goals, we will create and embed a culture that:</p> <ul style="list-style-type: none"> • focuses on adding value to customers • enables multi-skilled working • supports our commercial ambitions. 	14

7. Financial implications

The budgets for CFM include revenue and capital finance. The table below shows the savings in salary costs for the Service resulting from this review.

	As is	To be - Year 1 (2014/15)	To be - Year 2	Recurring
FTE count	93.9	83*	83*	83*
In-year salary costs	£3,428,000	£3,178,000	£3,128,000	£3,128,000
Saving	-	£250,000**	£50,000	£300,000

*This figure includes posts moved out of the Service, but not the Strategic Change Team posts being merged into it, to enable a comparison between 'as is' and 'to be' to be made more easily.

**Assuming 'go-live' of the new structure is June 2014.

The financial improvement generated by this business case will be chiefly achieved by reduced costs rather than increased income. However, the merger of the Buildings and Facilities team into CBH is likely to create the potential for more efficient procurement. This would help achieve existing procurement savings targets for 2014-15 and subsequent years.

The Service currently earns a small amount of income, chiefly through the Events team and the Communications and Marketing team. Other functions which have generated income in the past such as Land Charges are no longer housed within this Service. However, as the principal function of the Service is business support for the rest of the Council, there is limited scope to deliver a financial improvement through increasing earned income.

The Council is likely to adopt new savings targets for procurement as part of the implementation of the UCC FSR. As it does this, a share of these savings will be added to the financial improvement for this Service.

8. Risks

A list of key risks has been identified at this stage, and will be reviewed for their implications for the implementation phase.

These key risks are:

- Resource availability for planning, and then for implementation
- Time, skills and capability to deliver the change
- Retention of key skills within the service during the staff restructuring
- The effect on performance, income and customer service during transition
- Effectiveness of communications with staff and customers through the implementation phase
- Potential customer dissatisfaction with service changes
- Dependency on technology to deliver our self-serve objectives
- Our ability to realise the required level of multi-skilling
- Creating and embedding the new customer culture required to deliver review objectives.

Please see Appendix 2 for an initial risk register that has been developed for this business case.

This risk register will be developed to include potential costs and costs of risk reduction as part of the implementation phase. The issues identified above for CFM FSR are similar to those identified in the UCC FSR risk register, as there are clearly common aims and objectives for both reviews.

The CFM FSR risk register will need to be developed in close connection with both the UCC FSR risk register and the co-ordination role of the Strategic Change Team.

9. Communication

Engagement with CFM staff about this review has followed a set of principles which were shared with them at the start of the process:

These communication principles are to:

- Give people within the service as many opportunities as possible to help shape the ideas
- Communicate as openly as possible with people in the service so they always know what stage we're at and what will happen next
- Treat people fairly throughout.

Accordingly, CFM staff have been involved and informed throughout the development of this business case. This engagement has included:

- Three workshops (attended by 63% of individuals within the service)
- Fortnightly e-mail updates for all CFM staff from the Head of Service to explain the latest developments and encourage their participation
- Staff suggestion boxes in Rowan House and the Town Hall
- Face-to-face presentations by the Head of Service at team meetings
- Regular meetings organised by the trade union – Unison – and monthly meetings between the Head of Service and the appointed Unison rep
- A CFM FSR section on the Hub.

A number of briefing sessions about the business case were arranged for CFM staff in October. These gave staff the opportunity to absorb and understand the proposals, and to ask questions.

In October, there was also an all-councillor briefing session and an item about the CFM in the Members' Information Bulletin. This gave all councillors a chance to hear about our changes and think about how these affect them as service users.

Customers' perceptions and expectations have been sought using:

- A customer satisfaction survey
- The involvement of 16 customers – 'critical friends' – from the Council's other services and from CBH
- The involvement of the Senior Management Team through a workshop specifically for them, and through individual meetings.

The Forward Plan for September to December 2013 has been published on the website, with the CFM FSR listed for a Cabinet decision in November.

A Communications and Engagement Plan was developed early in the review process and updated throughout. It reflects the principles and format being used in the UCC FSR. This Plan will continue to be further developed during the implementation stage.

10. Implementation

Once the formal decision-making is complete, the review will move into the implementation phase and an implementation plan will be finalised to start from January 2014. Please see indicative timeline in the chart below.

The implementation plan will be phased over a two-year period, but with staffing changes and other efficiency savings commencing in 2014. At this stage it is envisaged that a 30-day consultation period with staff will be required, meaning that staffing changes are likely to be implemented early in the financial year 2014-15.

Implementation will also include the development, procurement and implementation of new technology, and the training and cultural change necessary to deliver the customer service improvements. In particular, the CFM FSR efficiencies from introducing self-serve are possible only as the Council delivers its new customer self-serve and Knowledge Bank technology.

As the Council implements the UCC FSR, it will require more support from CFM than in a period of 'business as usual'. Accordingly, the implementation of this FSR is staged as are the savings that accrue from its delivery.

The implementation plan will detail how this will be managed effectively to ensure that the benefits to our customers can be delivered and efficiencies and income achieved as soon as possible. This will clearly need to tie in with the UCC FSR implementation plan and its associated projects.

	2013-14				2014-15				2015-16			
UCC FSR												
Merger of separate Professional Support Units												
Implementation of ICT changes												
Introduction of Talent Management												
CFM FSR												
Initial 'go-live'						June						
Year 1 journey change work												

11. Next steps

Following consideration by Scrutiny Panel on 29 October, the business case goes to Cabinet on 27 November for the final decision.

Updates on the business case will continue to be taken to Implementation Group, especially around linkages to UCC FSR and the risk register.

Better understanding and earlier intervention

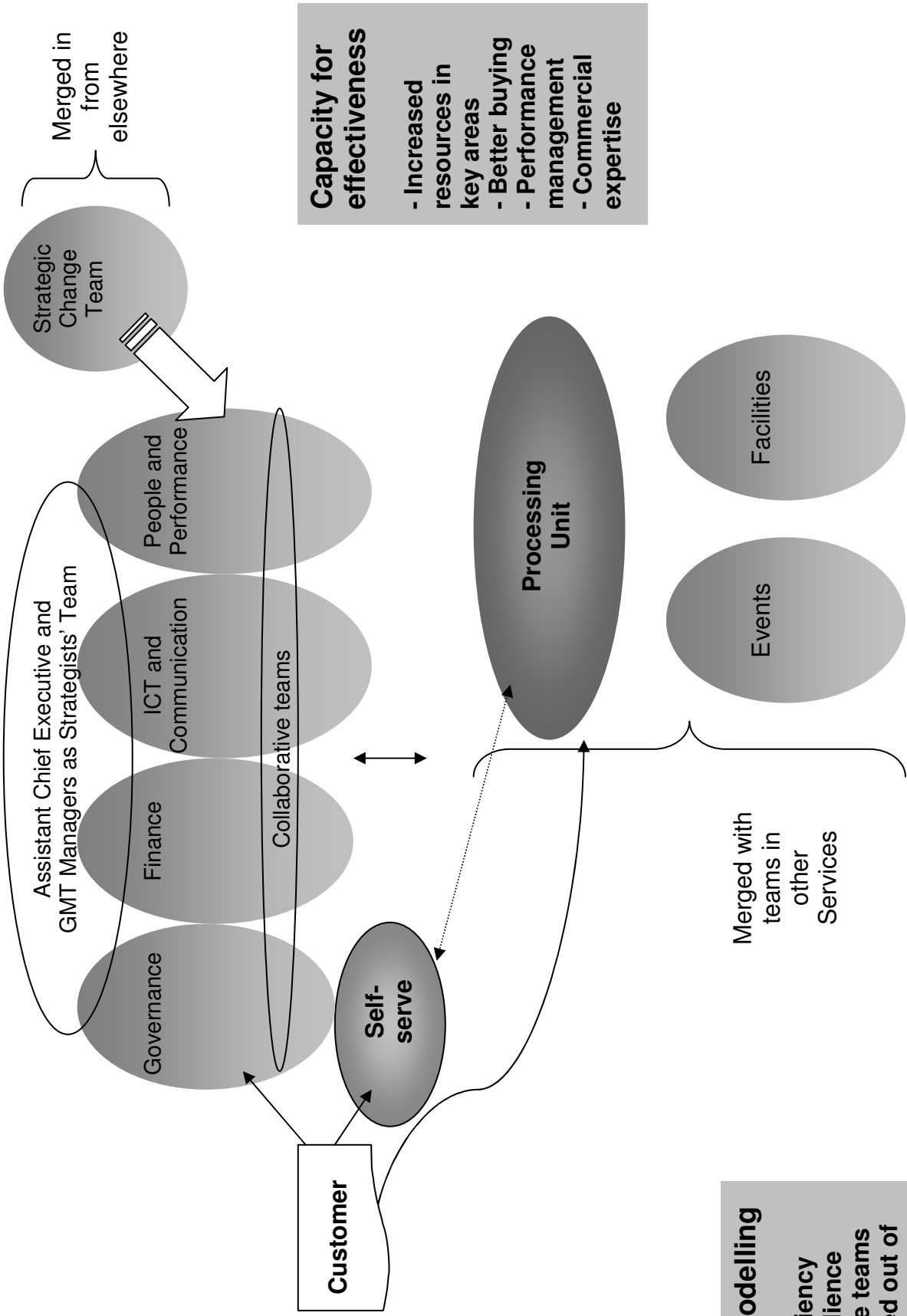
- Self-serve
- Behaviour change

Demand Management

- Account Managers
- Collaborative teams
- Strategists

Re-modelling

- Efficiency
- Resilience
- Some teams merged out of baseline



Initial Risk Register

Appendix 2

This initial risk register will be developed to include potential costs and costs of risk reduction as part of the implementation phase. The issues identified for CFM FSR are similar to those identified in the UCC FSR risk register, as there are clearly common aims and objectives for both reviews.

The CFM FSR risk register will be co-ordinated with the UCC FSR risk register and the role of the Strategic Change Team.

	Risk description	Risk mitigation
1.	Resource availability for planning, and then for implementation.	A clear implementation plan which is phased over time to enable the outcomes to be delivered against an agreed timeline and actions.
2.	Time, skills and capability to deliver the change.	UCC FSR Cultural / Behaviour Change streams and projects .Good communications, people management and appropriate leadership. An early start on skills and behaviours required so people are ready.
3.	Retention of key skills within the service during the staff restructuring.	Staff engagement and awareness of the shifting landscape of service delivery, and the opportunities for new ways of working in future model.
4.	The effect on performance, income and customer service during transition.	Focus specific resources on delivery, and manage the changes within the FSR implementation. Offer appropriate levels of support.
5.	Effectiveness of communications with staff and customers through the implementation phase.	Overall aspirations are clear and well communicated. Use of CFM FSR Communications and Engagement Plan
6.	Potential customer dissatisfaction with service changes.	UCC FSR Cultural / Behaviour Change streams and projects. Engage early in the process and have strong project management.
7.	Dependency on technology to deliver our self-serve objectives.	ICT and Journey Management streams of UCC FSR risk register and projects. In-service technology expertise and resources.
8.	Our ability to realise the required level of multi-skilling.	as risk 2. above
9.	Creating and embedding the new customer culture required to deliver review objectives.	UCC FSR Cultural / Behaviour Change streams and projects .Good communications, people management and appropriate leadership. An early start on skills and behaviours required so people are ready.

