

<b>Report of</b>	<b>Assistant Director, Policy and Corporate</b>	<b>Author</b>	<b>Dan Gascoyne</b>
<b>Title</b>	<b>Central Support Futures Review</b>		 <b>282577</b>
<b>Wards affected</b>			

## 1. Executive Summary

- 1.1 This report outlines the proposed service changes and financial savings following a review of Central Support Services.

## 2. Action Required

- 2.1 The Scrutiny Panel is asked to:
1. Consider the proposed changes and the extent to which they will ensure Policy and Corporate Services are fit for the future
  2. Scrutinise the financial savings proposed

## 3. Reason for Scrutiny

- 3.1 To ensure services are designed to be fit for the future and that adequate financial savings in relation to the services being reviewed are being achieved.

## 4. Background Information

- 4.1 The senior management restructure which came into effect on 1 July 2017 included a clear intention to commence a series of service reviews to be known as "Service Futures". These aim to drive out inefficiencies, progress further cultural change and take full advantage of our investment in Information Technology and more flexible ways of working.
- 4.2 A review of 'Central Support Services' was commenced in June 2018 and services in scope include Finance, ICT & Communications, Legal & Governance and People & Performance.
- 4.3 The range of services in scope for this review are shown in Appendix A.
- 4.4 A savings target of £150,000 (minimum) was agreed for this Review. A saving of £50,000 was built into the HR Service Centre element of the Customer Futures 2 Review, which also needs to be found. In addition to this £200,000 savings requirement, the project team has agreed to use the Review process to seek opportunities to balance ongoing pressures to get onto budget of at least £35,000 annually. As such, a working target of £250,000 was agreed to ensure the review provides a sustainable budget for future years.

## Findings

- 4.5 A series of staff workshops were undertaken during July and September, which identified the following themes:
- Customer First principles should underpin the way we work
  - Implementing robust processes to develop business cases
  - Ensuring POCO lead by example in supporting change
  - Consistent planning, rollout & support to deliver effective self-serve including Office 365 & Sharepoint
  - Finding new ways of delivering services including in partnership
  - Better understanding capacity requirements and customer expectations due to workload pressures
  - Understanding the full impact of any changes on the organization
  - Working together not silos across POCO and CBC
  - Introducing appropriate charging for services to recover costs
  - Stopping unnecessary activities where possible
  - Invest to save approaches to new business case opportunities
- 4.6 Considerable consultation was also undertaken with other CBC services, Colchester Borough Homes (CBH) and Colchester Commercial (Holdings) Ltd. (CCHL) as customers of Policy and Corporate Services. 121 meetings, GMT discussions and an online survey all contributed to the evidence base about how these services are perceived from a customer perspective. These findings have informed the structural changes proposed.
- 4.7 Issues arising from consultation with staff and stakeholders can be grouped into five thematic areas:
- 4.6.1 Workforce – across central support services the consultation has revealed examples of increasing workloads, and in places poor resilience affecting peoples’ ability to be more proactive.
  - 4.6.2 Customers – feedback has demonstrated high levels of satisfaction across central support services and, with the exception of ICT, strong support for the Business Partner model. There is an expectation and need for ongoing ICT advisor-level support.
  - 4.6.3 Financial – services are tightly managed, lean in terms of resource and delivering well. This review will need to deliver the savings target whilst establishing a more future-proof budget and ways of working that support resilience.
  - 4.6.4 Digital – there is a clear need to consolidate the investment e.g. Office 365 and SharePoint platforms and support the move away from ‘legacy’ systems that are increasingly unsupported. Full delivery of the i-Trent payroll system will help to achieve savings associated with the HRSC.
  - 4.6.5 Transformation – the review has revealed opportunities to strengthen governance around change and make more effective use of resources across CBC to support a more integrated way of working including exploring shared service opportunities.

## Vision for Policy and Corporate Services

- 4.8 As a result of the consultation undertaken with staff, customers, senior management and members, the following vision is proposed for this review:

“The Central Services Futures Review will provide greater **Workforce**

**Resilience**, make us more **Customer Focussed** and **Financially Sustainable**, and facilitate a **Digital by Default** approach, so we continue to be **Transformation Enabling** for the whole Council.”

## Outcomes and Proposed Changes to Organisational Structure

### 4.9 Workforce Resilience

#### Outcomes

This review will aim to improve wellbeing & productivity; get the right capacity where it's needed, when it's needed with greater flexibility across teams; enable closer working between POCO teams and the rest of CBC services; reduce pressures from additional work and ensure tighter controls on resources.

#### Proposed Changes

Create a Finance Project Officer role; Senior Communications Business Partner role & Strategic HR Manager roles, additional business support in People & Performance and implement shared payroll service with Braintree and Epping Forest Councils. Review the opportunity to implement establishment controls across CBC.

### 4.8 Customer Focussed

#### Outcomes

Leading a 'One Council' approach to organisational development to remove silos; improving customer satisfaction with POCO services; achieving a better understanding of customer needs and expectations; strengthening the links between leadership of communications and marketing SMT/Cabinet.

#### Proposed Changes

Improve management and coordination of Business Partners across Communications, HR & Finance to support organisational development; manage demand better; move the head of communications to report directly to the AD for POCO; create Senior ICT Advisor post ICT Business Development post; provide fixed-term specialist support for Officer 365 & SharePoint; support increased shift to self-serve across Corporate Services

### 4.9 Financially Sustainable

#### Outcomes

A sustainable revenue budget with the ability to scale corporate activity to match Council ambitions; enabling more commercial approach to corporate services through understanding and covering true costs to secure cost recovery/income; reduced spend on external consultancy and better balancing resource pressures across Corporate Services where possible

#### Proposed Changes

Ensure adequate resources are available to cover corporate costs for significant areas of activity e.g. relating to major projects and the HRA (given the abolition of the borrowing cap); remove vacant roles where possible and adjust other roles to compensate; reduce consultancy spend across Corporate Services; accept certain reduced-hours requests relating to flexible retirement, without backfilling, and review benefits from Essex Procurement Hub going forward to avoid cost pressures and make better use of existing resources.

#### 4.10 Digital by Default

##### Outcomes

Full delivery of the 2015 – 2028 ICT strategy and consolidation of cloud-based systems approach and support; continue to support migration from legacy systems; Increased resilience through better data protection; Cyber security; disaster recovery and embedding self Service where this shows an overall efficiency gain for the Council across Corporate Services. Free Strategic ICT and Communication manager to focus on corporate ICT to support digital transformation.

##### Proposed Changes

Create fixed term Office 365 resource to support and embed O365 & Sharepoint effectiveness; reduce Support Specialist posts from three to two (recognising move away from legacy systems) with budget to cover residual upgrade costs; include the Data Protection Officer acting-up role as part of the establishment; align Human Resources Service Centre (HRSC) resources with i-Trent implementation & further self-serve e.g. recruitment and review opportunities for greater self-service e.g. insurance claims.

#### 4.11 Transformation Enabling

##### Outcomes

Ensure flexible and effective capacity for organisational transformation and change across CBC; improve collaborative working across teams/services; develop clearer governance and accountability for transformation activity and ensure greater resilience and reduced costs in Payroll through partnership with other Councils.

##### Proposed Changes

Establish a Shared Payroll Service with Braintree and Epping Forest Councils subject to business case; second key staff into 'shadow' payroll shared service (19/20 & 20/21); review governance processes and programme reporting for all CBC transformation activity to provide greater oversight and programme management by EMT and SMT; identify 'virtual' transformation resources across Central Support and other services to drive future organisational change with greater ownership whilst removing a vacant post and a manager post in the change & performance team.

#### 4.12 Staff Restructuring Proposals

The current and proposed structures are shown in Appendix B to create an organisational structure to deliver against the objectives / outcomes set out above.

The table below summarises the 'net' position for each service area in relation to posts proposed to be deleted and created:

Staff Restructuring 'net position' with posts proposed to be deleted and created

Service Area	Posts Deleted	Status	FTE reduction	Individuals affected	Posts Created	FTE creation	NET
ICT	ICT Manager	Vacant	1	-	Senior ICT Advisor	1	
	ICT Business Partner	Vacant	3	-	ICT Business Service Co-Ordinator	1	
	Support Specialist	Occupied	1	3	Comms BP 0.6 FTE	0.6	
					Senior Comms BP	1	
			- 5 FTE			+3.6 FTE	-1.4 FTE
People & Performance	Change & Performance Manager	Occupied	1	1	Senior HR Manager	1	
	Prog & Perf Mgr	Vacant	1	-	HRSC Manager	1	
	HR Business Partner	Vacant	1	-	HR Business Assistant (0.5 FTE)	1	
	People & Performance Officer	Occupied	1	2	Systems & Data Officer	1	
	HR Advisor	Occupied	1	5			
	Pension & Payroll Officer	Occupied	1	1			
			-6 FTE			+4 FTE	-2 FTE
Governance	Risk & Insurance Officer (1FTE > 0.5FTE)		-0.5 FTE	-			-0.5 FTE
			-	-			
Finance					Finance Project Officer	+1 FTE	+1 FTE
			-11.5 FTE	12		+8.6 FTE	- 2.9 FTE

## 5. Equality, Diversity and Human Rights implications

No service reductions are being proposed therefore there are no implications.

## 6. Strategic Plan References

- 6.1 The proposed changes recommended in this review will strengthen the ability of POCO services to support the whole organisation to deliver against all themes in the [Strategic Plan 2018-21](#).

## 7. Consultation

- 7.1 The development of these proposals has been informed by engagement and consultation with staff in POCO services and other stakeholders including all other CBC services, CBH and CCHL. A formal 30 day consultation process is currently being undertaken with staff affected by these proposals to ensure they have an opportunity to give their views to inform the final decision to be taken by Cabinet.

## 8. Publicity Considerations

- 8.1 There are no publicity considerations.

## 9. Financial implications

- 9.1 The table below shows the savings that would be generated from this review as a contribution to the Medium Term Financial Plan. Any savings above the target of £200,000 will be used to offset known cost pressures to help ensure a sustainable budget for these services going forward. Elements in the cost savings / income row are subject to further due diligence, some of which is commercially sensitive, and cannot be guaranteed at this stage.

	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Net staff restructuring	155	155	155
Flexible retirement opportunities	77	77	77
<b>Sub Total</b>	<b>232</b>	<b>232</b>	<b>232</b>
Cost savings/ income	90	90	90
<b>Sub Total</b>	<b>322</b>	<b>322</b>	<b>322</b>
ICT fixed term contract resources (net cost)	52.5	52.5	
<b>Net savings / income Total</b>	<b>269.5</b>	<b>269.5</b>	<b>322</b>

## **10. Health, Wellbeing and Community Safety Implications**

- 10.1 'Workforce Resilience' and employee wellbeing are key objectives for this review but there are no wider health, wellbeing and community safety implications.

## **11. Health and Safety Implications**

- 11.1 There are no health and safety implications.

## **12. Risk Management Implications**

- 12.1 These proposals and the new structure is designed to provide additional capacity where it is needed to help mitigate risks and achieve better ways of working within POCO services and across the Council, providing a more sustainable budget going forward.

## **Appendices**

Appendix A – Policy and Corporate Services in Scope for the Central Support Futures Review

Appendix B – 'As Is' and 'To Be' Structure Charts

## Appendix A : Policy and Corporate Services in scope for the Central Support Futures review

	2018/19 Budget						
	Staff	Non staff	Total Spending	Income	Net	Fte	Summary scope
	£'000	£'000	£'000	£'000	£'000		
<b>Finance</b>	721	115	836	(100)	736	14	<ul style="list-style-type: none"> <li>Helps to manage and account for a gross budget of almost £140m and a balance sheet of £500m</li> <li>Compiles the Council's annual budget and produces a statement of accounts. Both of which are statutory processes.</li> <li>Accounts for the 'Collection Fund' including Council Tax income and NNDR.</li> <li>Manages the Council's reserves, borrowing (£150m) and investment portfolio (c£50m)</li> </ul>
<b>ICT and Communications</b>	1,483	1,024	2,507	(382)	2,125	34	<ul style="list-style-type: none"> <li>Support the Council's ICT infrastructure, and provide specialist advice on technology</li> <li>Manages external and internal communications and marketing work</li> <li>Manages technical functions connected with the Land Gazetteer, mapping and addresses</li> </ul>
<b>People and Performance</b>	716	64	780	(183)	597	17	<ul style="list-style-type: none"> <li>Provide strategic HR support for the organisation</li> <li>Provide HR processes through the HR Service Centre</li> <li>Manage the organisation's Learning and Development Programme</li> <li>Run 6 payrolls for CBC, CBH, CCH LTD, Colchester Amphora Homes; Trading; and Energy</li> <li>Support organisation-wide change programmes</li> <li>Gather and report corporate performance information</li> </ul>
<b>Governance</b>	1,078	1,873	2,951	(334)	2,617	25	<ul style="list-style-type: none"> <li>The Council's legal service</li> <li>Officers servicing committee meetings and supporting Cabinet and the Mayor</li> <li>Specialists managing the Council's health and safety, business continuity, insurance cover, risk management, emergency planning, corporate governance and procurement</li> <li>The team of Hallkeepers</li> </ul>
<b>Subtotal</b>	<b>3,998</b>	<b>3,076</b>	<b>7,074</b>	<b>(999)</b>	<b>6,075</b>	<b>90</b>	