
SUMMARY REPORT

1.0 SUMMARY

- 1.1 The service reviews for Customer and Support Services, Improvement and HR and Strategic Finance are being managed collectively as one project. There are 11 separate workstreams under review and a cross service workstream between HR and payroll. The eleven workstreams are:

- HR
- Improvement and Organisational Development
- Health and Safety
- Communications
- Revenues and Benefits including debtors
- ICT
- Procurement, Commissioning, Creditors and Payroll
- Financial Management
- Internal Audit
- Treasury Management
- Risk Management

As it is the intention to move forward with the cross service workstream no reports were prepared for HR beyond stage 2 and the Payroll element was dropped from Procurement, Commissioning and Creditors

- 1.1 The review of Support Services has been completed. Target savings of 20% of revenue expenditure were required and the overall target of £2.25m has been achieved. The executive summaries for each of the workstreams and the cross service workstream are presented for Member's consideration on this agenda.

2.0 RECOMMENDATIONS

- 2.1 The Executive note the savings identified in the Executives Summaries for each of the 11 workstreams contained within the scope of the Support Services Review
- 2.2 The Executive note that the target of 20% savings has been achieved for the Support Services Review
- 2.3 The Executive recognises that many of the savings are dependent on restructuring and the implementation of ICT changes to primary systems. This will require careful implementation planning with adherence to both timescales and dependencies. Additionally, Trade Union consultations

are required before changes to pay frequencies are implemented. Subject to the progress of these consultations this initiative may be implemented on 1st April 2012 or April 2013 with consequential delays in the achievement of savings. For such critical systems, great care will be needed with the fullest discussions and consultations, good communications and project management to ensure that the systems and administrative changes can be implemented accurately and to timetable.

- 2.4 The Executive notes that the preferred options are management and operational matters and will be implemented by the relevant officers subject to the conclusion of the HR consultation.
- 2.5 The Executive notes that the outcomes of the Support Services Review were presented to elected members at the Members Seminar on 5 December 2011.

3.0 DETAIL

- 3.1 During 2009 the Council embarked on a comprehensive three year programme of service reviews. The programme sits within the overall transformation programme. The service reviews aim critically to review the operation of Council services and examine options for service delivery. A target of identifying options of service delivery based on a 15% cost reduction was initially set to drive a radical review of services. The savings target has been increased to 20% for the year 3 reviews, reflecting the continued challenging financial outlook. The challenging financial outlook for the public sector emphasises the importance of the service review programme in terms of:
 - Ensuring the Council sets a balanced budget if not in year, over the medium term
 - Identifying efficiency savings
 - Supporting a more effective approach to service delivery
 - Providing information to assist in prioritising resources
- 3.2 The Support Services Review has followed the well established process for such reviews. Each of the 11 workstreams and the cross service review and been undertaken separately with independent external scrutiny and overall project management input to ensure consistency of approach. The external SROs have confirmed that the reviews have been comprehensive and robust, and that the final documentation, including calculations, are accurate and to a high and consistent standard.
- 3.3 The Support Services Review covers a range of services that collectively provide both operational services and corporate support to Departments.
- 3.4 The following table sets out the savings made in the review.

Financial Summary

	£'000
<u>Base Budget</u>	
Improvement and HR	3,185
Customer and Support Services	5,651
Strategic Finance	2,406
Total Base Budget	11,242
20% Target	2,248
Savings Identified	
February 2011 Savings	898
Review Savings Identified	1,359
	<u>2,257</u>
Percentage Saving	20.08%
Communications Additional Budget Requirement	59
<u>Net Savings on Base Budget</u>	<u>2,198</u>

- 3.4 There are a number of areas within the reviews that carry dependencies in other services and which carry an element of risk. These are discussed below.

Staff Restructuring: Each workstream will require new job descriptions to be completed and agreed with HR. The Job Evaluation process will also need to be undertaken by HR prior to the population of the new structures.

Budget: Additional effort will be required in working and reworking the estimates for 2012-13 to reflect the outcome of each of the Support Service reviews. This will flow through to careful monitoring and reporting during next year to ensure that progress is being made and that the savings are being realised within the timeframes identified.

Systems Changes: Significant systems changes are required for the Resourcelink (HR and payroll) and Oracle (financial) systems. This will require careful project management and additional input from ICT. ICT changes are relatively low risk and involve well established software implementation.

Staff Consultation: The proposed changes in payroll frequencies will require staff and Trade Union consultation. The Strategic Management Team is considering ways of mitigating the impact on individual employees, but the timescales for implementation are short.

- 3.5 The Support Service Reviews will have a lasting impact on the centre of the organisation. The Strategic Management Team is addressing the future role of the centre, both in terms of the corporate management of

the organisation and in terms of the operational services such as tax collection, creditors, debtors and payroll.

- 3.6 One of the key implications of the changes will be to increase the expectation that departmental managers will take greater responsibility for the management of assets allocated to their particular service. This includes staff, buildings, vehicles and equipment, financial resources and information.

4.0 IMPLICATIONS

- 4.1 Policy The Support Services Review Executive Summaries set out the future delivery of services at the centre of the organisation.
- 4.2 Financial The 20% savings target has been achieved and this is a key element in balancing the Council's budget.
- 4.3 Legal None.
- 4.4 HR Each of the reviews will have HR implications.
- 4.5 Equalities Each of the reviews has considered equal opportunities in carrying out the reviews. There are no outstanding matters. The process of populating the new structures in each of the workstreams will follow existing procedures to ensure that employees caught up in the reviews are treated fairly and equally.
- 4.6 Risk A risk assessment has been carried out for each of the workstreams. These have identified the risks and the actions planned to mitigate these risks. The risks identified can all be mitigated to a satisfactory extent. Nevertheless, there will be a need to monitor risks on an ongoing basis through the implementation.

5.0 APPENDICES

- Appendix 1: Summary Assessment of Savings
Executive Summaries
- Appendix 2: HR and Payroll
- Appendix 3: Improvement and Organisational Development
- Appendix 4: Health and Safety
- Appendix 5: Communications
- Appendix 6: Revenues and Benefits
- Appendix 7: ICT
- Appendix 8: Procurement, Commissioning, Creditors and Payroll
- Appendix 9: Strategic Finance

Cleland Sneddon – Project Sponsor
Executive Director Community Services
06.12.11

For further information please contact:
Morag Brown
Support Services Review Project Manager
Ext 4199