



MINUTES OF THE ONE COUNCIL OVERVIEW AND SCRUTINY COMMITTEE **Wednesday 6 February 2013 at 7.30 pm**

PRESENT: Councillor Ashraf (Chair), Councillor Colwill (Vice-Chair) and Councillors Chohan, McLennan, Mitchell Murray and Pavey

Also present: Councillor H B Patel.

Apologies for absence were received from: Councillors Lorber and Ketan Sheth

1. Declarations of personal and prejudicial interests

None declared.

2. Minutes of the last meeting held on 5 December 2012

RESOLVED:-

That the minutes of the last meeting held on 5 December 2012 be approved as an accurate record of the meeting.

3. Matters arising

Complaints annual report

Priya Mistry (Policy and Performance Officer, Strategy, Partnerships and Improvement) agreed to re-circulate information to Councillor Colwill that provided an explanation as to why compensation for adult and social care related complaints had increased despite the number of escalated complaints falling.

4. Procurement project

Fiona Ledden (Director of Legal and Procurement) provided an update to the committee on the procurement project that had been running since 2012, following the strategic procurement transformation that had changed the composition of staff from mainly temporary staff to permanent council staff, with a number of professional category managers embedded within service directorates. Fiona Ledden advised that the category managers were working actively with the service directorates in ensuring the council benefitted from procurement activities. Turning to the areas covered by the procurement project, she reported that the e-procurement strand had been largely successful and was at green RAG status. Under this strand, i-proc, part of the Oracle module, was being developed and this would facilitate compliance and ensure that staff were accessing the specific contract they were involved in.

Fiona Ledden stated that considerable efforts had been made to provide the appropriate training in up-skilling staff to undertake procurement activities to a high

standard. The Business Manager in Legal and Procurement had undertaken a training needs analysis across the council to facilitate this and training courses were being rolled out, with two scheduled for February and March 2013. It was noted that the training strand was presently at amber. The project also had an additional savings strand with a target saving of £1.5m per annum and this was the most challenging one to achieve, although this had recently moved from red to amber status. The reasons for it being problematic was that it involved finding savings from what was mainly the day to day work of the team and there was also no dedicated project manager to undertake this. However, the resource undertaking e-procurement development had been identified to dedicate some time in project managing this strand and a clear plan of activity was now in place.

Members then discussed this item and raised some questions with regard to the project. It was commented that the previous lack of resources for the project had been addressed and further information was sought in respect of the work of the project manager and what training was being offered as some staff could potentially be inexperienced in procurement and was this available to new staff. The importance of up-skilling staff to reduce reliance on external staff and consultants was emphasised and details of what progress had been made in respect of procurement was sought, whilst an enquiry about the progress of controlling maverick spend was made. Members asked how the savings target had been identified and was the emphasis on improving the service as well as making savings. It was suggested that if there was a specific model as to how procurement was to operate, then it should be set out clearly and also pay due consideration to the Brent economy. It was also asked whether a preferred suppliers list for contracts and services was available and could a link to the council's contracts database be provided.

In reply, Fiona Ledden advised that project management was a key issue and much consideration had been given into identifying the right support and data analysts had refocused their efforts on this. The Business Manager had been tasked with the role of setting up a training programme and those who had undertaken initial online courses could then go straight onto intermediate level courses rather than basic courses. The rolling training programme also provided networking opportunities and was available to all new staff too. Fiona Ledden advised that the large majority of Procurement staff were permanent, despite the difficulties in recruiting permanent appropriately skilled staff. However, there had been specific procurement activities that required specialist input and three interim staff had been appointed to assist. Fiona Ledden emphasised that up-skilling staff across the council was both desirable and necessary and a key objective was to raise the levels of professionalism and standards in procurement. She advised the committee that councils were obliged to consider local interests under the Public Services (Social Value Act) 2012 and this covered procurement issues, although the main objective was in obtaining the best possible price and value for money and to be as efficient as possible. Where feasible, the council also worked with other local authorities in order to help achieve this. Fiona Ledden added that every effort was being made at being creative and innovative in order to generate savings. In respect of maverick spend, she advised that work on this was on-going, although this depended on putting in place improved coding. Procurement was also working with Oracle to ensure the right procedures were followed. Fiona Ledden advised that providing a preferred suppliers list could be difficult to determine and efforts were being made to reduce the number of suppliers and avoid duplication.

Peter Stachniewski (Head of One Council Programme) advised Members that there had initially been a procurement project savings target of £1.5m and this had been part of financial planning for both 2013-14 and 2014-15. However, the target was reassessed as more knowledge was gained as to the savings that were actually to be delivered and which could therefore be included in the budget. Members heard that savings were a key driver but that procurement was only one element within most One Council projects with improvements to service also being a key driver.

The Chair then requested that the committee be provided with a list of regular suppliers and what steps were being taken to reduce the number of these.

5. Project Athena

Denis Turner (Project Manager, One Council Programme) introduced the report and explained that the current payroll system was based on Logica which was coming to the end of being supported, whilst support for the Oracle Release (R)11 Finance and Procurement modules were similarly due to end this year. Project Athena offered both payroll services and Oracle R12 and the plan was that these services be provided through a partnership with five other London boroughs – Havering, Croydon, Lambeth, Lewisham and Barking and Dagenham - on a shared single platform. Working with these partners, a rigorous approach to procurement had been undertaken to ensure the appropriate technical specification was set out to potential bidders. Denis Turner drew the committee's attention to the IT specification as set out in the report and advised that all partners had agreed to keep as closely to the specification as possible in order to keep costs down.

Turning to the project's progress, Denis Turner advised that the solutions validation stage was near to completion and user acceptance testing would soon commence and this would be followed by payroll parallel tests. The aim was for the system to go live on 1 August 2013, although he cautioned that there may be some difficulties in achieving this. Once implemented, the new system would mean significant changes for managers in that they would be taking more day to day responsibilities for controlling expenditure and also HR matters, such as staff absences and sickness. Denis Turner felt that it was important to embed the systems initially before looking at ways to best harness the benefits it can bring.

During discussion by Members, it was queried whether there was any risk of data manipulation and did Oracle R12 offer more functionality. It was enquired whether it was possible for staff to enter data erroneously. A member concurred that it was important to ensure the system was working properly before fully exploiting its benefits. The committee sought further details with regard to training for managers including what numbers were involved and whether this would take place before Project Athena was rolled out. A member asked if there were any savings objectives involved in the project and if so would there be any initial savings and why had details of savings not been outlined in the report. It was also queried if there were any concerns that such savings could be achieved. Details of implementation and service costs were sought and how long would it take for the savings to recover these costs. The committee asked whether savings, including cost comparisons with the current system could be provided. It was commented that it would be beneficial to identify what services could be shared in order to save costs and to see evidence of how the project was progressing. Members also

asked how the project was linked with other projects and would the project's implementation result in further staff restructuring.

In reply, Denis Turner advised that there was no risk of data manipulation as each partner borough had a separate database and there had been discussions with security advisers to ensure the system was secure. Oracle R12 offered more functionality and was already in use at two of the partner boroughs, including the host borough, Havering, who were looking at more creative ways of using it. R12 was quite simple to use and similar to R11 and Cap Gemini were running training sessions that would be cascaded to other staff. It had been identified that around 350 to 400 staff would require training, ranging from core users to less frequent users. It was intended to supplement training with online training support resources, such as video captures, and also in other ways such as drop-ins and floor walks. Core users would be trained before Project Athena was fully implemented. Denis Turner explained that the system would pick up data errors and that it was difficult to accidentally input the wrong data. He felt that the benefits of the system would become apparent. He also stressed that it was important that there was sufficient training and support from staff to ensure the system to operate properly initially, before seeing what other changes the project could enable.

Peter Stachniewski advised that there was not a specific savings target for the project yet, however it would deliver savings in the longer term. The original business case for the project had indicated that an organisation of Brent's size would typically deliver savings of around £1m per annum but the specific areas the savings would be made from could not be identified until after the project's implementation. Peter Stachniewski advised that Cap Gemini implementation costs were around £1.2m and their on-going annual charges were in the region of £300k. He said that these costs had to be incurred to replace the existing Logica payroll and Oracle R11 systems because the existing systems were no longer supported. Peter Stachniewski explained that the broad overall costs of the new system compared to the existing system could be provided, but this would not cover savings details.

Members noted that data storage could easily be expanded and in addition there would be an up to date back-up file. Members also noted that the contract with Cap Gemini was for four years.

The Chair requested that details of the costs of the new system be provided and also for information to be obtained from the five other London borough partners on the savings assumptions they had made.

6. Realigning Corporate and Business Support Project

Frank Dick (Project Manager – Realignment of Corporate and Business Support) introduced the report and advised that the project was close to being fully implemented. The project was needed to obtain necessary savings, however it was recognised that there were savings elements in other projects too and there would be implications at a later stage as a result of the implementation of Project Athena. The other main driver was the requirement to make staff structural changes due to the move to the Civic Centre, with the intention of drawing business and administrative support services together. The project would enable services to be rationalised and improved and provide a single business support model and £1m

savings for 2014/15 would be made, with part year savings in 2013/14. The new model had been devised following a look at how other London boroughs and local authorities delivered their business and administrative support functions. The committee heard that the number of business and administrative support managers had been reduced, however the changes also offered a more defined career structure for those working in these areas. This would help raise the professionalism of the service and this was reflected by the fact that non-managerial business support posts were graded from SO6 and upwards. Frank Dick advised that there may be up to 34 redundancies as a result of the changes, with around two thirds of these being from voluntary redundancies, however this was still subject to the final redeployment process.

Frank Dick advised that the business support structure would be fully staffed from around the middle of April 2013. The changes made would provide tangible benefits to front line staff and service delivery and an Improvement Plan would be set in place. For some services, a paper light approach would be appropriate, although it was acknowledged that other services would still require a larger element of paperwork. However, there was greater potential to make use of more technology in order to accommodate the reduction in staff. Turning to specialist support functions covering areas such as IT, legal and HR, Frank Dick advised that a further £1m savings would be made for 2013/14. Some posts were being removed, however these were largely vacant posts and all staff were expected to be in post by March 2013.

Members then raised some issues on this item and it was asked what the redundancy costs would amount to. It was queried whether the 34 overall reduction in posts all equated to redundancies and would new posts be created or realigned. It was also asked whether pension costs had been factored in and had voluntary redundancy been offered. Furthermore, an explanation as to why any external recruitment would be undertaken was sought as it was suggested that internal staff could be redeployed to prevent the risk of losing talented officers. A member asked if internal staff that had been retained were appropriately skilled and were the savings figures and level of services comparable with other local authorities. Another member commented that decentralising services could actually be beneficial as it would help the council remain more in touch with the community and clarification was sought with regard to whether staff would be re-assigned where there was extra demand. Further information was also requested in respect of staffing in Children's Centres and if staff were absent at a particular locality, would staff from another locality be redeployed to it. The committee sought confirmation as to whether business support would function as paper light or paper free as it was felt that it would not be possible to operate with a total absence of paper. The total number of staff moving to the Civic Centre and who would monitor the effectiveness of the new structure was also queried.

In response, Frank Dick advised that the reduction in posts involved a number of managerial positions, although this was also being undertaken across all grades. The percentage of savings for other local authorities averaged around 20-25%, whilst the council's was around 16-17%, although it was felt that this was a prudent level of savings and there were likely to be further changes once the service had bedded in within the Civic Centre. The committee noted that post reductions did not necessarily equate to the same number of redundancies, which were offered where deemed appropriate. Frank Dick explained that the job descriptions of

Business and Corporate Support posts had changed as well as the basis of the grading, whilst a new post of Executive Business Manager located in the Chief Executive's office had also been created. A number of the posts were now significantly different to their previous roles and required greater flexibility and all staff had undertaken a rigorous selection process to obtain their current posts. However, these services were still largely staffed by those who had been appointed internally and it was confirmed that voluntary redundancies had been made available for application. Frank Dick stated that some support staff would remain at Children's Centres and the level of support would be determined by locality following discussions on arrangements. He acknowledged that paperwork was unlikely to ever be eliminated entirely and Business and Corporate Support staff continued to take a number of telephone calls and undertake signposting activities. The committee noted that the changes to support services would be regularly reviewed and a report was likely to be put to this committee around March/April 2014.

Peter Stachniewski advised that redundancy costs from the exercise had yet to be confirmed, however there had been provision for this in the business case which had taken into account redundancy and pension payments. In addition, it was noted that redundancies represented a one-off cost. However, the savings would be recurring and so offer longer term financial benefits and it had been acknowledged that the council needed to downsize in view of the fiscal pressures it faced.

Joanna Swinton-Bland (Head of Integrated Business Support) emphasised that a key objective was to upskill existing staff and to keep them within the organisation and provide them with all the opportunities they needed. Standards were also being raised and a number of training resources were available, such as online training, IT skills and statement writing skills. The assessments determined whether staff had the appropriate skills and staff had commented that this was a fair and equitable assessment during feedback. Joanna Swinton-Bland explained that where there was excessive demand, it was likely that staff from the Civic Centre would be deployed to the locality concerned. She advised that the emphasis was to operate a paper light, as opposed to a paper free, service and opportunities to avoid using paper where possible were being looked at.

7. Performance and Finance Review, Quarter 2, 2012-13

At the Chair's suggestion, it was agreed that this item be deferred to the next meeting where results of quarter 3 of 2012-13 could also be discussed. The Children and Families overspend mentioned in the report would also be discussed following a request from Councillor Pavey.

8. One Council Overview and Scrutiny work programme

Members had before them the committee's work programme. It was noted that procurement of parking enforcement was to be scheduled for a future meeting. The Chair also requested that the review of the library transformation project be added to the work programme.

9. **Date of next meeting**

It was noted that the next meeting of the One Council Overview and Scrutiny Committee was scheduled for Thursday, 21 March 2013 at 7.30 pm.

10. **Any other urgent business**

None.

The meeting closed at 9.45 pm

J Ashraf
Chair