



MINUTES OF THE ONE COUNCIL OVERVIEW AND SCRUTINY COMMITTEE Wednesday 25 January 2012 at 7.30 pm

PRESENT: Councillor Colwill (Vice Chair in the Chair) and Councillors Beckman, Brown (alternate for Councillor Ashraf), Chohan, Hector (alternate for Councillor McLennan), Lorber, Mitchell Murray and Ketan Sheth

Also Present: Councillor Jones (Lead Member for Customers and Citizens)

Apologies for absences were received from: Councillors Ashraf and McLennan

1. Declarations of personal and prejudicial interests

None declared.

2. Minutes of the last meeting held on 22 November 2011

RESOLVED:-

that the minutes of the last meeting held on 22 November 2011 be agreed.

3. Matters arising

One Council Programme

Councillor Brown enquired whether there were any One Council Programme projects with a red RAG status that should be reported to the committee. In reply, Phil Newby (Director of Strategy, Partnerships and Improvement) explained that projects' statuses changed regularly and that those of a red RAG status now could change by the time of the next meeting. Members noted that the procurement project was presently at red RAG status although was likely to move to amber soon. Children's social care transformation was also at red RAG status, however this service was demand led and the project was being mainstreamed to help address the challenging nature of this area. Phil Newby advised that information on projects that were considered of sufficient risk could be presented to Members at future meetings, or any other projects which were of particular interest to the committee.

4. Presentation - Project Athena

Clive Heaphy (Director of Finance and Corporate Services) gave a presentation to Members on Project Athena, a pan-London project that was essentially IT focused but was also with a service delivery element to it. The ultimate aim of the project was to deliver a single ICT and shared services platform, however the first phase of the programme would focus on HR and payroll functions. In order to create a system to enable this, the first stage would involve standardising processes to fall in

line with the other London boroughs that are part of Project Athena. The council would also need to implement Oracle Release 12, migrate some systems to Oracle, introduce Business Analytics reporting and empower staff to manage budgets and resources. Clive Heaphy added that even if the council had not joined Project Athena, it would still have needed to introduce Oracle Release 12, however doing so with project partners would allow costs to be shared. Ultimately, Project Athena partners would share the delivery of not only HR and payroll functions, but also finance and procurement services possibly via a joint committee arrangement.

Clive Heaphy explained that 'Cloud' technology would be used to operate the system, with information being hosted externally at a centre located within the EU, which would considerably lessen the risk to holding data on site. Cloud technology would help reduce data storage costs, currently a considerable cost to the council. The London Borough of Havering had been proposed as the host as it had already introduced Oracle Release 12. The other members of Project Athena were the London boroughs of Barking and Dagenham, Croydon, Lambeth and Lewisham. There were a further eight London boroughs who had Oracle that may join the scheme at a later date. In the meantime, work was continuing on putting the appropriate joint governance arrangements in place and councillor involvement was also being discussed. Clive Heaphy referred to the efficiencies of using a common platform and then turned to the council's objectives, which included vastly improved services in HR and payroll, a standardised, simplified, streamlined process and services and significant and on-going financial benefits and to enable self-service in HR functions. As it was intended to introduce Project Athena in two phases, this would reduce the risk element and allow the council to learn from any issues from those project partners who were introducing all processes at the same time. The impact of the changes on HR related activities, which were currently very labour intensive, would mean a reduction of 15 back office operational staff. The partnership working with other local authorities supported the One Council Programme approach, whilst the transition to a single Oracle Release 12 platform for HR and payroll functions and ultimately financial tasks too would bring efficiencies and drive down operational costs. Members noted that the cost of implementing the scheme was around £2m and a tender exercise would be undertaken for a 'systems integrator'. Clive Heaphy outlined the four possible financial benefits scenario and suggested that scenario one, a combined savings of £1.206m per year, was realistically achievable.

Clive Heaphy advised that amongst the risks associated with cloud hosting was the debate within the EU regarding the security of data in data centres and this required further consideration. Another risk was that Oracle HR needed to be implemented before the present Logica HR system contract expired at the end of September 2012 in order to avoid additional contract extension costs. One of the alternative options considered, to locally host Oracle, would mean being reliant on local staff to manage and maintain Oracle Release 12 and high costs would be associated with this as new staff would have to be recruited in an area of high demand. If the present system was maintained, it would not be possible to deliver HR self service and it would also not be able to generate the same kind of savings as Cloud technology. Members noted that maintaining the Logica HR system was not considered a realistic option as had not been performing well and did not have the functionality required to make the necessary changes and in addition it was unlikely to be supported beyond October 2012. The council would continue to be reliant on payroll systems which are labour intensive. Therefore the Cloud technology option

had been identified as the best option and the timeline for procurement and implementation was noted.

During discussion by committee, Councillor Brown asked when the migration of some systems to Oracle would commence and he sought further details with regard to Finance arrangements. Councillor Sheth sought confirmation that the HR back office staff reductions would total 15 and whether this would involve compulsory redundancies. He asked for further information in relation to councillor involvement and what measures were being taken to address concerns in relation to data storage. Councillor Mitchell Murray expressed concern about the risks of hacking for remotely stored data, particularly as more information could potentially be obtained. She also asked whether Project Athena could result in further staff losses and the emergence of 'super directors'. Councillor Lorber enquired whether agreement with regard to standardisation had been made and was progress on this on track to be in place by September 2012. He sought further information with regard to providing the appropriate staff training and stated that if situations were to arise such as staff not being paid that this would take a lot of time to correct.

Councillor Colwill (Vice Chair in the Chair) asked what steps were in place to ensure that all local authorities in the programme were on target and what action was being taken in respect of governance arrangements.

Councillor Jones (Lead Member for Customers and Citizens) was also invited to address the committee and she asked whether Brent schools had expressed an interest in acquiring payroll and HR services through this programme.

In reply to the issues raised, Clive Heaphy advised that governance and procurement issues were discussed with programme partners on a weekly basis and each local authority had set up a Project Board to oversee the programme. Members noted that the programme was being monitored very closely by all partners. Clive Heaphy advised that migration of systems to Oracle Release 12 needed to be completed by September 2013 as this was when support for the existing Oracle system would cease. Consideration was taking place as to whether a local 'hybrid' Finance Oracle system could be introduced prior to full integration with the programme and it was noted that this would not add any significant costs. Clive Heaphy advised that two separate opinions had suggested that there would be a reduction of 15 back office related HR staff and HR would be conducting an informal consultation. Every effort was being made to avoid compulsory redundancies and it was even possible that some staff affected could be redeployed to another local authority as new job opportunities may be presented elsewhere. Councillor involvement was being encouraged and efforts were being made to arrange for the appropriate Lead Member of each local authority to meet with their Finance Director. With regard to data storage issues, Clive Heaphy advised that an off site location helped de-risk the holding and provides greater resilience. However, issues with regard to information sharing using Cloud technology did need to be resolved. The committee noted that Oracle was a large organisation that also worked with the Foreign and Commonwealth Office and the USA Government and was highly experienced in providing a secure data environment. In addition, the programme partners would be required to comply with local government legislation with regard to data protection.

Clive Heaphy advised that a lot of work had already been undertaken in respect of standardisation and this was being led by Tracey Connage in HR. There had already been agreement with regard to standardisation policy and work was being undertaken with regard to processes which were being codified. Training would be undertaken around two months prior to the introduction of the new system and the existing system would be operate in parallel during the first two months and this could be extended further if there were any problems. Members noted that it was only intended to migrate payroll data to the new HR system. Clive Heaphy advised that the new payroll system would be more competitive in terms of schools being interested in using it, although there were also private organisations that would continue to offer attractive contracts to schools.

5. Future of Customer Services

Margaret Read (Assistant Director – Corporate Customer Services, Finance and Corporate Services) introduced the report and began by explaining that a key driver behind the project was to improve customer service arrangements and ensure that these were made more effective and efficient. It was important that customers felt that the council was one organisation whatever the service they were receiving and whatever method used to make contact. The present customer service arrangements had been outgrown over time due to a number of factors including changes in customer expectations and demands and also in demographics. There were also an increasing number of digital solutions becoming available to enable customer contacts to be handled through on line and self service facilities. Coupled with this, there was also a critical need to reduce the pressure on service areas as demand increased whilst also achieving financial savings. Margaret Read emphasised that improvements and efficiencies were both being sought simultaneously and these were not seen as competing objectives.

Margaret Read explained that there had been considerable debate over the course of action since the project had initially been conceived and a range of underlying principles had been agreed and would underpin the improvements to customer services were:-

- A better understanding of the council's customers so that services were more sensitive to personal needs
- Improved efficiency and effectiveness in service delivery to better meet customer needs and reduce the pressure on council resources
- Moving service delivery to the front office to resolve enquiries at the first point of contact, ensure consistently high standards and have a consistent approach to customer services
- Developing a shared customer offer with partners

Margaret Read stated that this could be achieved through a number of measures, such as ensuring that a customer enquiry could be resolved at the first point of contact. A customer access strategy would be developed to meet the varying needs of customers and encourage more use of web based services where appropriate, whilst for others, such as more vulnerable customers, this could take the form of face to face contact. Margaret Read explained that Phase 1 of the project, up to October 2012, would provide the foundations for the improvements needed in customer service. The changes introduced as part of Phase 1 included the creation of a new Brent Customer Services division in January 2012 which

included the One Stop Service, Revenue and Benefits and Pupil and Parent Support within Children and Families. Further services were planned to transfer to Brent Customer Services over the next 15 months or were being reviewed to determine how customer contact could best support effective resolution of customer queries. A consolidation of web functions within Brent Customer Services from January 2012 was also being undertaken and a business case was being developed during 2012 to replace the council's current web infrastructure by December 2012. There was also to be a review of post functions to be completed by May 2012 for implementation by December 2012 and this would operate as a central digital post room following the move to the Civic Centre. Members noted that an automated switchboard for external users had gone live in January 2012 which should ultimately enable 80% of switch board calls to be automatically routed to the correct extension number. Margaret Read advised that approximately 60% of calls had been dealt with in this manner at the moment and to date positive feedback had been received. There was also to be a rationalising of face to face contact and from 2014 there would be two main customer access point, the Civic Centre and Willesden Green Centre. Margaret Read concluded by stating that the project would introduce a major cultural change for both customers and staff and this would increase the ways in which services could be offered.

During discussion, Councillor Lorber sought further information with regard to the role of smaller council buildings such as Kingsbury Library Plus and what support would be given to customers where English was not their first language or not spoken in respect of self-service and automated customer messages. If it was seen that customer contact was reducing since the changes had been made, he asked if there would be a re-consideration of how customer access was being provided. Councillor Mitchell Murray stated that she had used the automated telephone system recently and felt that it worked well, although her only concern was if the system started offering too many options. Councillor Sheth also commented that the new automated telephone system appeared to be working well and asked whether there were any staff implications concerning these changes. Councillor Beckman enquired whether the redesign of the council's website was already underway.

In reply to the issues raised, Margaret Read explained that a customer self-service facility was available at the Kingsbury Library Plus and this allowed Customer Services to be consolidated in the busier council buildings. The automated switchboard recognised different accents and where customers who did not speak English or who did not speak it as their first language, they could contact the council by phone or by visiting local offices and council staff were at hand with a wide range of language skills on offer to help and the Language Shop could also assist. Margaret Read advised that increased self-service and internet facilities would mean that more customers could access customer services in this way and allow the council to focus more on those who still required face to face contact. Members noted that it was not intended to provide a large range of options with regard to the automated telephone system, in order to keep it user friendly. Those customers who did not respond to the automated system's questions or gave a response that could not be dealt with would be automatically transferred to an operator. Margaret Read acknowledged that there was a need to educate customers with regard to the number of ways in which they would be able to access council services. Some services could already be accessed on the web, however on-line forms and booking systems were to be developed and be made easier to find on the council's website.

The overall changes to date had led to a major staff restructure which had resulted in 45 post deletions, however only five of these had led to compulsory redundancies and a number of the deletions involved posts that had been vacant, whilst some staff had found other posts in the council.

Toni McConville (Director of Customer and Community Engagement) added that access to computers in Brent was estimated to be around 68% and where services could be provided on-line, customers were being encouraged to access such services in this way. This would not only benefit customers but also allow the council more time to help vulnerable customers.

RESOLVED:-

that the report on the Future of Customer Services be noted.

6. **Performance report for quarter 2, 2011-12**

Phil Newby introduced the report and explained that it was presented in a new format following requests to make it more streamlined. A traffic light approach was taken to categorise the performance of each indicator and each service area was provided with a scorecard. Phil Newby stated that Members could request more information on any areas of interest to them to be presented at a future meeting.

The Chair enquired whether there had been improvements in Adult Social Care performance in the most recent assessment. Phil Newby advised that the Adult Social Care Transformation Programme was a major programme of improvement within the One Council Programme and an update would be provided from Alison Elliott (Director of Adult Social Care).

Clive Heaphy then presented a financial summary of the report and advised that the budget for 2011-12 was on track after the overspend in Adult Social Care had been compensated for in other areas. In addition, the council was benefitting from favourable borrowing rates and Clive Heaphy was confident that the financial year would close on budget.

Councillor Lorber sought more information on what areas had overspent. He raised the issue of illegal sub-letting of council properties and asked if the council was taking any steps to address this and also to use as an opportunity to recover any income. Councillor Chohan asked if there were any figures available in respect of council properties being sub-let. The Chair asked if the Electoral Register could be used to ascertain whether such properties were being sub-let. Councillor Mitchell Murray spoke of concern regarding multiple tenancies and overcrowding in properties and also stated that some were taking advantage of the Empty Properties Act by moving into vacant properties.

In reply, Clive Heaphy advised that overspends had occurred in Adult Social Care and Children's Social Care and this was due to these areas being demand led. Efforts were being made to ease demand by working in collaboration with relevant partners, however it was inevitable that demand was subject to rises, particularly in the present economic circumstances. In respect of sub-letting of council properties, Clive Heaphy advised that the council was working with other West London authorities through data matching to help identify such properties, although data

protection issues needed to be taken into account. Members heard that such action was unlikely to lead to significant financial gain for the council, however, it would help ensure that council accommodation would be provided to those in most need and reduce those being housed in temporary accommodation. The Electoral Register was used to help identify cases of sub-letting, along with the Client Index and Clive Heaphy concurred with the suggestion that Members could assist by reporting any suspected sub-letting of a council property.

7. One Council Overview and Scrutiny work programme

Jacqueline Casson (Senior Policy Officer, Strategy, Partnerships and Improvement) reminded Members to contact her if they had any suggestions for items to add to the work programme.

8. Date of next meeting

It was noted that the next meeting of the One Council Overview and Scrutiny Committee was scheduled for Wednesday, 21 March 2012 at 7.30 pm.

Councillor Chohan advised of his apology for absence at the next meeting.

9. Any other urgent business

None.

The meeting closed at 9.00 pm

R COLWILL
Vice Chair in the Chair