



Agenda Item no: 4

## Bristol City Council

### Minutes of Business Change and Resources

#### Scrutiny Commission

17 November 2014 at 9.30 am

**Members Present:-**

Labour

Liberal Democrat

Conservative

Green

Councillor Brain (P) Councillor Breckels (P) Councillor Mead (P) Councillor Rylatt (P)	Councillor Campion-Smith (P) Councillor Kent (P)	Councillor Hiscott (P) Councillor Weston (P)	Councillor Malnick (P)

(P) – denotes present; (A) denotes absent

**Key officers in attendance:** - Max Wide Strategic Director Business Change, Paul Arrigoni Service Director Business Change, Peter Gillett Service Director Finance, Richard Billingham Service Director HR, Lucy Murray-Brown Service Director Integrated Customer Service, Karen Blong Scrutiny Officer, Steve Gregory Democratic Services officer.

**1. Apologies for Absence**

None received.

**2. Public forum**

Subject	Author of statement	No.
Bedroom Tax provisions of the Welfare Reform Act 2013	Lin Clark - Bristol Ant-Bedroom Tax Campaign	1
Bedroom Tax provisions of the Welfare Reform Act 2013	Laura Welti - Bristol Disability Equality Forum	2

The two statements were received and thanks given to the authors for bringing this important issue to the Commission's attention.

The Service Director Integrated Customer Service was asked to investigate the issues raised and bring a written response to the next Commission meeting on 8 December so that it could be considered within the budget cycle timescale, with a full report to the January meeting of the Commission if this was considered appropriate.

**3. Declarations of interest**

None received.

**4. Minutes**

The Minutes of the Business Change & Resources Scrutiny Commission meeting on 13 October 2014 were agreed as a correct record and signed by the Chair.

**5. Action sheet**

The Commission noted the current status of the actions that had been taken or remained to be completed. The Action sheet to be amended accordingly.

**6. Whipping**

None declared.

**7. Chair's business**

None reported.

**8. Single Change Programme**

The Commission received a presentation from the Strategic Director Business Change in respect of the Council's Single Change Programme.

The Commission was advised that the Single Change Programme represented one of the biggest challenges that the Council faced over the next three years. Within that context it was important that the Programme was implemented correctly, that money was taken from the most appropriate areas and that the changes would provide an opportunity to improve, the way that the Council worked, its culture and efficiency of service provision, which collectively would lead to better customer outcomes.

Overall the Change Programme would deliver a minimum £49m net contribution to the Medium Term Financial Plan (MTFP) and cover its costs within the three year period. In addition the Programme would make a substantial investment in modernising the way the Council worked leading to

more sustainable working practices and giving greater flexibility so that the Council could more readily react to any future changes.

The Commission then considered the key areas relating to the Change Programme and the following points were made/clarified –

#### Programme development

- The gross savings target of £64m was adjusted by delivery costs and a corporate contingency allowance to provide an annual benefit target to be delivered from the programme of £49m from 2016/17. It was important to note that the £64m figure was the ongoing saving year on year post 2016/17;
- Severance costs to date of £16.5m were on target as although above the £14.7m allocated for 2014/15 there was an additional c.£6m allocated from the 2013/14 budget to meet this cost;
- There was a contingency of £10m for one off costs associated with the Change programme, primarily as a fall back measure to take into account any overlap/double counting of savings made;
- There was no further contingency for one off costs as it was confidently predicted that the Programme would deliver the required savings as planned;
- Early indications for future financial settlements suggested that a further annual £49m of savings might be required to achieve a balanced budget by 2020 and it was anticipated that service redesign would provide an opportunity to deliver this level of saving whilst maintaining and improving services. Further redundancies would probably be necessary following the service redesign stage of the Programme.
- The Commission was given assurances that measures had been built in to ensure that employees that had taken voluntary severance would not be re-employed within one year of leaving the Council to enable the full impact of the savings to be realised. In addition once post savings had been made the funding associated with them would no longer be available and any application for new funding would have to undergo a rigorous process which itself was kept continually under review;
- If increased staff capacity was needed for any temporary service provision it was possible to employ people on temporary contracts however this would also be subject to rigorous challenge to ensure that only the necessary levels needed were employed;
- A fundamental aspect to avoid increases in staffing levels was an investment in appropriate IT systems to meet the demand from customers for a fully accessible online service.
- The Housing Benefit service would complete a current backlog of applications by December 2014;
- The Commission was informed that a new Citizen Service point would be in place at the new Temple Street offices in December to enable customers to access new IT systems. Facilities and training would be

provided to customers who might not be confident using IT systems to ensure that full accessibility was achieved;

- Once the efficacy of new IT systems had been established they would eventually be rolled out to locality area citizen service points however it was noted that the predicted trajectory for the majority of online use would be via mobile devices. It was therefore important that the Council met this demand to ensure best practice and to maintain a reputation of efficient service provision;
- The £9m shortfall in savings made in 2014/15 was due to redundancy costs and the part year impact, however it was important to note that the establishment size had been reduced accordingly;
- Future redesign would mean a reduction in the size of the establishment to achieve the likely required savings in the budget and a corresponding investment in new software so that new IT systems could effectively replace manual systems;
- Confidence in meeting future financial savings was borne from experience gained in the first round of budget reductions and closer monitoring of work streams providing more detail and rigorous scrutiny.

### Restructure Project

- Projected financial overview citing net benefits of £125m for Bristol Work Place required further clarification. Service Director Business Change to circulate the approved business case financial details to members of the Commission after the meeting;
- Parking facilities for staff at Temple Street to be finalised although the number of spaces had been increased to 400 spaces in parallel with a formal Travel Plan to assist alternative methods of transport to and from the building. Some concerns were raised about the adequacy of this so the Project Manager would be asked to provide relevant information feedback to the Commission;
- Preliminary refurbishment costs at both City Hall and Temple Street site would be offset by reductions in the cost of running the current office estate. Some surplus furniture would be offered to local voluntary organisations and schools for reuse. Further information about the detail of this process would be circulated to the Commission and a briefing be arranged if necessary after that;
- Information on the percentage of customers able to access IT for housing benefit applications to be provided to the Commission and a briefing be arranged if necessary after that;
- It was confirmed that IT systems operated by the Council were fully backed up and plans were also in place to build even greater resilience to remote working of IT systems;
- Non central office work such as children and adult care services was also being taken fully into account with options such as integration with other organisations and multi-agency work being considered with the possibility of utilising joint work hubs;
- Linking up with IT systems with external organisations had been considered and facilities to enable systems to 'talk' to each other would

in most cases be sufficient, supported by a unified communication strategy;

- Impact of stress on staff during the Change process was monitored by analysis of absence levels, dialogue with the trade unions and the monitoring of the Council's employee assistance programme (EAP). To date there had not been any significant increases in absence levels and regarding the take up of the EAP, 50% of the issues related to personal issues rather than work related;
- It was acknowledged that employee engagement was very important with the key issue being the proactive management of change in the first instance to reduce the impact on staff. Information on employee engagement in association with Health & Wellbeing surveys was requested by the Commission;
- The proposed reduction in the revenue budget of the library service was subject to consultation, it was emphasised that the consultation process was not being driven from a financial perspective but the result could achieve a potential budget reduction of up to £1.1m.

**Resolved -**

**That the presentation and the comments made be noted.**

## **9. Work Programme**

Two issues raised –

- (i) An informal briefing about the budget process would be held on 4 December at 5.30 pm;
- (ii) Agenda planning briefing on 24 November to commence at 6 pm preceded by an informal meeting of the Lead members at 5 pm to consider the process for the scheduled budget meetings in December.

**Resolved –**

**That the current Work Programme be noted.**

(Meeting ended at 12.05 pm)

CHAIR