

Bristol City Council

Minutes of the Business Change and Resources Scrutiny Commission



22 September 2016 at 9.30 am

Members Present:-

Councillors: Graham Morris (Chair), Stephen Clarke (Vice-Chair), Donald Alexander, Tom Brook, Barry Clark, Helen Godwin and Tim Kent, Mark Weston (substitute)

Officers in Attendance:-

Anna Klonowski (Interim Strategic Director - Business Change), Richard Billingham (Service Director HR), Shahzia Daya (Interim Service Director - Legal and Democratic Services), Annabel Scholes (Interim Service Director Finance), Johanna Holmes (Policy Advisor - Scrutiny), Sarah Wilson (DLT Support Manager - Business Change) and Louise deCordova (Democratic Services Officer)

1. Welcome, Introductions and Safety Information

The Chair led welcome and introductions.

2. Apologies for Absence

Apologies were received from Cllr Gollop (Cllr Weston in attendance as substitute), and Cllr Shah.

3. Declarations of Interest

There were no declarations of interest.

4. Minutes of the Previous Meeting

The Committee Resolved:-

- (i) To agree the minutes of the last meeting as a correct record.**

5. Action Sheet

The Committee noted the progress of actions from the previous meeting.



The following points were raised in discussion:

- a. Business Change Directorate had been restructured to a team of three Service Director Posts. The Interim Service Director Policy, Strategy and Communications and the Interim Service Director for Change had left or were due to leave the Council before the end of September. The remaining work would be covered within the team.
- b. An updated organisation chart would be circulated which comprised the transitional arrangements that were in place for the relevant portfolios.

Action: Anna Klonowski

- c. There were no proposals to move Procurement back to Business Change. However, there was an opportunity for the Strategic Director for Business Change to act in a matrix management role alongside the Service Director for Strategic Commissioning, to influence and shape some of the work, although responsibility would lie with the People Directorate.

6. Chair's Business

- a. The Chair thanked members for attending the Scrutiny Planning Workshop and commented that it had been a successful and robust piece of work. Councillors were asked to feedback any other items of interest to Scrutiny Officer, Johanna Holmes.

Action: Councillors/Johanna Holmes

- b. The Business Change Budget item for October would clarify the in-year savings required for the current budget period 16/17 and those proposed for next year 17/18. Officers to facilitate the budget scrutiny discussions over two meetings divided on a per service basis.

Action: Anna Klonowski

- c. Confirmed that the Mayor's budget would be public, week ending 14 October 2016.

7. Public Forum

The Committee received a Public Forum Statement from Cllr. Negus regarding IT Support for Councillors.

The following points were raised in discussion:

- a. The IT Support project was an example of a systemic breakdown of project governance within the Council to manage and monitor outcomes, which could result in reputational damage to the Council.



- b. Questioned whether legal action could be brought against external parties in order to address the cost and resource implications related to the service failure, or otherwise to hold people to account. Officers confirmed that investigations were underway but at present the issues appeared to be due to internal governance structures.
- c. The Change programme had failed to deliver the planned savings. Members considered that the loss of the key staff responsible for this and the use of interim staff left the Council with a lack of continuity, reliability, rigour and many unanswered questions.
- d. The Chair agreed that there may be an opportunity for Business Change to scrutinise projects in more detail to identify what went wrong and identify future learning opportunities so that there was not a repeat of the same mistakes.
- e. A project team, headed up by the Service Director, Legal Services, had been set up to address the ICT Support issues experienced by councillors, including the recent problems with access to email via the iPads. An internal compatibility issue had been identified with the Council's virus protection software, and not related to a third party. A paper had been prepared for Party Group Leaders, and would be shared with Members at the next meeting.

Action: Shahzia Daya

- f. The Strategic Director suggested that there had been a focus on speed over 'getting it right' and confirmed that there were learning points for the team about having a joined up approach, and interacting with members to understand how they work.
- g. Members were concerned that the audio systems in the Council Chamber had not been sufficiently tested before being opened to the public. Officers confirmed that it had been difficult to anticipate the issues experienced in the Chamber as they had been different each time. ICT staff would be on site to provide support for future meetings.
- h. It would cost £40K to enable Microsoft 365Office on the iPads. Members questioned the Council's reluctance to employ the owner usage policy. Officers to look at the option to add finance to members allowance to enable them have personal licences as required.

Action: Shahzia Daya

- i. Whilst some Members were happy with the new system, others needed different technology to enable them to carry out their civic duties effectively. Some Members experienced difficulties in using the new mobile equipment and questioned whether the organisation needed an occupational health review update.
- j. Some Members advised that the induction to the new system had been inadequate. Members had never been asked what they needed for their role or what might be required in Members rooms.



8. Introductions from Service Directors

The Interim Service Director Finance (S151 Officer) introduced Finance Services. It was confirmed that a permanent S151 Officer, Denise Murray had been recruited and would start in November. The Interim Service Director for Policy, Strategy and Communications had left the Council.

9. Q1 Finance Monitoring for Business Change

The Commission considered the report of the Interim Service Director, Finance. The report set out the relevant Business Change extracts taken from the Q1 Finance Report that went to Cabinet on 6th September 2016.

The following points were raised in discussion:

- a. The costs related to the data centre had not been accounted for under one heading. Officers confirmed this was to clearly identify the difference between the one-off cost related to the move from Romney House and the ongoing revenue costs related to the Councils new ways of working. Officers confirmed that the Business Case for this had not been robust and had therefore not calculated the ongoing costs associated with the move.
- b. Clarification sought regarding how the Medium Term Financial Plan (MTFP) had been measured. Officers confirmed that a three year budget framework had been set out at a specific moment in time and had not been revisited to update it with new information as it arose. There had been a number of assumptions made within ICT Services which had proved to be incorrect and had resulted in delivery failure. It was suggested that the October meeting should bring ICT managers from individual areas to provide the context and detail around this. It was confirmed that an annual review of the MTFP would be conducted in future.

Action: Anna Klonowski

- c. Questions raised whether the council had achieved a) a revenue saving or b) a capital receipt in the release of Romney House, and questioned whether the sale of Romney House had been intended to support Bristol Workplace costs. Officers to provide the background to the business case and an update report on Romney House current position.

Action: Anna Klonowski

- d. Business cases needed to be rigorously tested, and the impact of a decision assessed to ensure it joined up with the rest of the organisation, which had not appeared to be the case with the decision to release Romney House as a capital asset.
- e. The Mayor intended to commission a review of how the Council had got to its current financial position.



- f. The three year budget framework should be refreshed regularly and performance tracked. The Programme Management Office should have the ability to track money and actions, attached to a risk register which could regularly investigate slippage in projects.
- g. Concern raised regarding the commissioning of third party services and the use of contractors. There appeared to be a lack of knowledge management and knowledge transfer to the Council, when contractors left the organisation. Members were assured that the Interim Service Director for Business Change would leave a detailed handover to the team.
- h. Concern raised that the Vision HR contract renewal had been unanticipated. Officers confirmed that they had needed to run a legacy payroll system alongside Vision HR for longer than anticipated in order to manage a risk of delivery failure. An option appraisal was being carried out to consider other methods of delivery such as shared service arrangements, using another public sector organisation's payroll system.
- i. There were currently 52 interims in ICT equating to one third to a half of the headcount and included interns and people with specific skills through agency providers. Work was being carried out to understand how to reduce the number within restructure proposals. Contractors could be a viable decision for some programmes of activity. Where the governance was right, outsourcing could result in increased cost upfront but enabled the Council to manage time, cost and scope more effectively and have recourse to litigation in the event of contract failure.
- j. The revised pipeline for change projects needed to be confirmed. Officers confirmed that this was under review, accounting for normal replacement of systems on cyclical upgrades and digital programmes of activity to support and enable channel shift. The decision ultimately for the Council was whether to make or buy services.
- k. A member suggested that it was evidence of serious internal breakdown in governance that variations from the planned Change programme business case had added 12 projects without further contribution to ICT budgets being made. Officers confirmed that the reasons for this were under investigation. It was not clear why there was no year on year ICT budget.
- l. Officers confirmed that an immediate mitigation had been put in place which required that all ICT project requests had a fully structured business case and detailed where the budget was coming from.
- m. The approved Treasury Management Strategy involved an assessment of who the Council placed investments with, erring on the side of caution for average levels of return, and using a market approved Credit rating checking system.
- n. In highlighting the significant risks it was confirmed that risks around the capital cost of the Arena had been omitted in error. Officers to amend the risk for future reports.

Action : Anna Klonowski



- o. The Chair commented that the transparency in the Officer's presentation of what had gone wrong to date had been helpful. It was suggested that the Commission or a Sub-Committee carry out a deeper investigation to get to the root of why and how Business Change had got it wrong. It was suggested that Members to carry out an in depth review of a few projects. Members and Officers to confirm how this could be taken forward.

Action: Johanna Holmes/Anna Klonowski

Resolved:-

- (i) To note the discussion points and progress the actions arising**

10. Q1 Performance Report for Business Change

The Commission considered the report of the Service Director, HR, presented by the Performance Improvement Advisor. The report set out the Business Change Outturn Performance Report for Quarter 1 of 2016/17 and provided a suite of performance indicators that could be selected for future reporting (Q2 onwards).

The following points were raised in discussion:

- a. Performance indicators needed to be relevant, and sufficient in number to cover the breadth of business that the Commission expected to scrutinise.

Digital Services and Customer Insight

- b. A Member suggested that the availability of the council website and digital services targets did not need to be monitored by the Commission. Officers suggested that this provided an ability to monitor the trajectory of citizen shift to digital channels which was a key objective for Business Change.

BU356 Reduction during the year in opening balances of general debtors

- c. Confirmed that this indicator needed review. A more useful and challenging indicator would be around collection of debt and collection of income. Officers to reset the definition so the performance could be monitored and reported.

Action: Anabel Scholes

BU395 The number of Council owned properties recovered for letting

- d. Concern raised that business continuity had not been managed effectively in relation to this target.
- e. Members requested the ability to monitor Agency spend and overtime on a council wide basis, with enough detail to understand how this was managed. It was understood that use of agency staffing could sometimes save money. Officers to provide the numbers and narrative requested.



Action: Richard Billingham

BU134 Number of working days lost due to sickness absence (Business Change)

- f. Members congratulated Officers on the sickness performance, but questioned whether there was duplication if was already being monitored by the HR Committee.

BU205 Number of Knowledgebase Hits to Advice Centre Calls

- g. Confirmed that the Knowledgebase was the guidance placed on the Source for managers. The indicator was a measure of internal channel shift. It had been recognised that most calls received by the call centre related to a failure demand rather than a value demand. The increase in people using self-service had not been predicated to date but was required to deliver future savings. Concerns raised that self-service could be perceived as an undue burden on people managing services, with questions over the skills and ability of managers to be self-service customers. Officers confirmed that HR Services no longer had capacity to pick up the slack. The Strategic Director confirmed that this was a business discussion to be had with the Senior Leadership Team. During a period of transformation and organisational change, HR Services would normally provide the support that helped an organisation transform.
- h. Members raised concerns regarding broken links and out of date information on the Source. The Strategic Director asked councillors to email her assistant with details as they found them so that each instance could be resolved. Officers to circulate the contact details to members.

Action: Anna Klonowski

BU355 Percentage of invoices paid on time

- i. Concern raised that the Council would be open to litigation if it did not meet legal requirements to pay invoices on time. Officers confirmed that finance teams followed protocol to prioritise circumstances where litigation problems might ensue.

BU207 % of employees with a completed 'My Performance' Baseline review form (BCC)

- j. 'My Performance' was the Council's new appraisal system. Concern raised that managers may not be prioritising staff appraisal due to work pressures. Officers confirmed that the most up to date figures may reveal a higher resolution rate as the Q1 completion results had fallen outside of Q1 report.

NEW Number of Press Releases issued

- k. Agreed that this activity measure be removed from the report.

Action: Richard Billingham

- l. Members confirmed that the suggested new measures were useful indicators and should be adopted. Confirmed that new report format was preferred.

Action: Richard Billingham



Resolved:-

- (i) To agree to adopt the suggested measures (unless otherwise indicated) and the new report format**
- (ii) To note the discussion points and progress the actions arising**

(Cllr Weston left the meeting)

11. Business Change Directorate Risk Register

The Commission considered the report of the Service Director, HR. The report set out the process for review of Directorate risks and the issues arising from the Directorate Risk Register and the mitigation to manage the risks going forward.

The following points were raised in discussion:

Risk 4 Effects of ICT under-delivery on business confidence and knock-on effect to in-flight projects.

- a. The Chair welcomed that the risk had been acknowledged and commented that this was evidence of projects not being managed well enough in the organisation.

Risk 2 The ongoing availability and stability of core Finance and HR/Payroll systems

- b. Clarified that the risk related to a combined failure of both finance and payroll systems at the same time. Although they were two separate systems, Audit had classified them under the heading of Core Systems. Members suggested that greater clarity might be provided if the risk of failure was assessed separately. Members understood that there was a priority project to upgrade the finance system. There was a risk of the finance product being unsupported if the upgrade was not completed to time.
- c. Confirmed that regular meetings were held to monitor risk. The risk schedule to be updated to reflect changes in personnel.
- d. Officers to provide an update on the progress of the finance upgrade project and the status of the current mitigation.

Action: Richard Billingham

Action: Richard Billingham

Resolved:-

- (i) To note the report, discussion points and progress the actions arising**



12. Legal Services Directorate Performance

The Commission considered the report of the Interim Head of Legal and Democratic Services, which set out the Legal Services Performance: Quarter 1 (April to June) 2016/17 for income, spend, productive hours; and costs awarded to and against the Council.

The following points were raised in discussion:

- a. The Chair commented that the report had been useful. Legal Services was recognised as a key income generating service for the Council. It was important to continue to get this area of the business right and consider ways to grow it.
- b. The profile of the legal service had been raised through word of mouth referral and through the publication of legal journals by the team, which in turn generated more interest. It was important to keep the website up to date with the new work the team was doing.
- c. Members congratulated Legal Services for the success of staff in being nominated for Bristol Law Society Awards.
- d. Service Level Agreements were in place with Bristol Waste Company and Bristol Energy. They had the option to use external legal services, but were encouraged to use the in-house team who were able to meet their needs the majority of the time. There was a capacity issue around the need to deliver company secretarial work in-house and at pace.
- e. Confirmed that the Interim Head of Legal and Democratic Services was the Company Secretary for all Bristol companies bar the Holding Company.
- f. In-house HR and Finance teams provided services to the Bristol companies.

Resolved:-

- (i) To note the report

Meeting ended at 11.45 am

CHAIR _____

