

**25 November 2015**

**ITEM: 13**

**Council**

**Cabinet Member Report – Central Services**

**Report of:** Councillor Victoria Holloway

This report is public.

### **Introduction**

The Central Services portfolio includes all of the central functions, which provide corporate support across the council, in finance, legal, HR & Organisational Development. In addition corporate performance, the transformation programme and the Serco contract also fall under this current remit. In summary it is a wide ranging and varied portfolio.

The past year has been particularly challenging for local government, and Central Services have played a crucial role in supporting the work of the Council and in ensuring we continue to provide good value, sound financial management, proper governance and an employment environment that enables us to recruit and retain the workforce we need. A key theme throughout the report is the focus on digitalising transactions.

The report sets out some of the key issues from the past year and some of the issues for the future, including the termination of the Serco contract and the opportunities that affords to the Council.

### **Sundry Debtors**

The value of invoices raised for the current year as at the end of September is £29.3m compared to £28.1m last year. Strong recovery performance continues with the debt book at the end of September totalling £4.5m compared to £5.7m for the comparable period last year. Performance in this area is vital as the Council seeks to maximise income in the light of the ongoing funding reductions.

The Debt Management Team is currently working with the new management team at the CAB and arranging a joint Surgery at the Civic Offices for people with the highest value debts across the Council Tax and Sundry portfolios, this surgery is due to take place early November.

### **Council Tax**

The service continues to perform strongly and at the end of September an in year collection rate of 54.22% had been achieved which is 0.24% favourable to last year. This level of performance places Thurrock on track to deliver a collection rate of

98.70% for year-end which compares well to the average national performance of 97%.

The council continues to promote online transactions which is now available for the following activities:

Advising of a change of address;  
Claiming Discounts/ Exemptions;  
Setting up or amending a direct debit;  
Making Payments; and  
Viewing an online Council Tax statement.

To date circa 7,000 tax payers have registered with my account and this continues to increase at the rate of 500 a month.

### **National Non Domestic Rates (Business Rates)**

One of the key associated risks for councils in relation to Business Rates is the potential impact of reductions in rateable value following appeal to the Valuation office. Currently Thurrock has a total provision of £14m for outstanding appeals, the risk for which is jointly shared with the government.

Whilst we continue to monitor the position closely and represent Thurrock's position where appropriate, the responsibility for valuation and appeals itself is outside of the teams control. The team are however placing additional effort on initiatives to counter losses, where possible, through improved collection performance and additional surveillance to identify businesses that either do not appear or are undervalued in the rating list.

Since Business rates retention was introduced, circa £8m in rateable value has been added to the list through these initiatives. This equates to an additional £2m of income per year for the Council. In addition to this, strong collection performance has been maintained.

As at the end of September the in-year collection rate was 57.96%. This represents both a small improvement on last year and places Thurrock on track to deliver over 99% collection by year end which compares favourably to the average national performance of 97.9%.

### **Housing Benefits**

Processing times for claims continues to improve with the average turnaround time year to date now at 16 days for New Claims and 7 Days for Changes in Circumstance.

The service continues to promote online transactions and 100% of New Claims are now being received online with approximately 20% of the claimant base signed up through my account for additional services available through 'My Account'.

As Members will be aware Universal Credit roll out commenced in Thurrock on 16

March 2015. Initially the DWP's rollout within Thurrock is only for single people of working age submitting a new claim for Job Seekers Allowance. As a result claimant numbers are low and there has been minimal impact on Housing Benefit claims.

Whilst Universal Credit is administered by the DWP and longer term will replace Housing Benefit for most working age applicants, it is unlikely that there will be any significant volumes transferring to UC in Thurrock before the DWP rolls out its digital platform in 2017. It is worth again noting that even when fully rolled out the Thurrock benefits team will still be responsible for processing claims for Local Council Tax Support and Housing Benefit for pensioners and some other groups.

## **Exchequer Services**

### BACS and Post

We currently pay 94.97% of our suppliers by BACS (electronically). The number of remittances and Purchase Orders sent via post as opposed to email has also reduced by 90% in the last two years, with the vast majority of commercial suppliers receiving them via email.

This year to date Thurrock has paid 95.7% of invoices within 30 days and performance continues to improve. The improvement has been delivered through increased focus and development of a dashboard that highlights performance by service and source.

Further improvement will be made through the continued push for iSupplier that allows our suppliers to 'self-serve' their own transactions eliminating the need for any data processing duplication. To date approximately 1,152 of our commercial suppliers have signed up, which is about half of our commercial supplier base. This is a reduction of approximately 45% of paper invoices.

## **Corporate Finance**

### **Counter Fraud & Investigation Service**

The Counter Fraud and Investigation Department has completed its transition from a traditional internal service focusing on benefit fraud to a new department providing a proactive service to reduce all fraud and economic crime risks affecting the Council.

A programme of anti-fraud workshops will be held in the Council Chamber over the coming weeks to provide targeted, service-specific anti-fraud awareness training. Member briefings are also being planned to coincide with that training.

Investigators from the department will also be hosting a stand in the Civic Offices reception area promoting engagement and the new Anti-Fraud & Corruption Policy & Strategy.

## External Recognition

- The department was recently inspected by the Home Office and Her Majesty's Inspector of Constabulary (due to its unique access to police data) who has praised the department for its professional approach to tackling economic crime.
- The department's work with the College of Policing now sees it being the only unit (outside of the police) who is accredited to deliver the Professionalising Investigation Programme. This means that all investigation staff in the department are trained to the same standards as Police Detectives seeing them able to successfully investigate the most serious crime, if required.

## Counter Fraud Fund Project

As well as the new internal scope of the department, the government has provided funding of £594k to expand and promote counter fraud activity. The department is conducting investigations for 8 local authorities, 4 housing associations and 2 government departments on a national basis.

These engagements bring over £390k of income to the authority with an additional £300k having been received through the effective use of Proceeds of Crime Act.

The authority continues to work with partners around the UK in a collaborative way to share best practice and resources for a common purpose of being unified against any fraud and corruption in the public purse.

## **Commercial Services**

Commercial Services continues to move ahead with the Strategic Services Partnership (SERCO) transition, including bringing back under the Council's control through a mixture of novation and award of new contracts, a number of critical third party contracts valued at a total of £3M. The process is well underway with a view to improving the Council's position in terms of cost and service delivery. To date £100K has been saved with no loss of quality.

A strategic approach to procurement is now embedded in Housing and Commercial Services, focussed on the achievement of outcomes and savings through up-skilling an "intelligent client" and revising contract packages to attract the market. To date this has achieved annual savings of circa £864K against the HRA budget for Housing Cyclical maintenance and replacement programme contracts, and an additional £86K annual saving on corporate contracts. A new contract for agency staff is also at the implementation stage which should support greater cost control, including reducing off contract spend.

It is appreciated that cost control and the availability of good quality data on third party spend is essential to the Council's ability to identify opportunities to leverage savings through collaboration and joint procurement across the organisation and with partners, and through negotiation at critical points during the term of a

contract. To support this, a number of enhancements to the Oracle system have recently been implemented and rolled out effectively.

Post transition, development of the Procurement Service will roll out the successful strategic approach and enable a focus on the delivery of enabling, outcome focussed support to all directorates.

### **Strategic Services Partnership Contract**

On the 21<sup>st</sup> July 2015 the Council and SERCO announced that they had mutually agreed to terminate the Shared Services Partnership Agreement under which SERCO were responsible for the provision of a range of services and support functions including Customer Service, Revenues and Benefits, Business Administration and IT. Over the 11 years that the contract has been in place there have been a range of changes with services expanding and contracting and some areas being returned to the Council (Highways Management etc). At the present time the contract has a value of around £18m per annum.

Given that it had been more than 10 years since the Council had been directly responsible for the services, a detailed due diligence exercise was conducted through the remainder of July up to the end of August 2015. Since then, the focus has been on putting in place the arrangements necessary to secure the transfer of the staff, systems, contract and assets which are used in delivering the service, which include:

- Circa 350 permanent SERCO staff who will transfer to the Council through TUPE. In addition, the services are currently supported with around 100 agency staff and up to 10 contractors (mainly within IT);
- Around 75 contracts covering everything from the provision of agency staff and facilities management through to the licenses and services which support the Council's IT systems and total around £8m in expenditure per year; and
- Around £3m in assets which are used to deliver the services – this is primarily made up of IT equipment.

Since the decision to terminate the Serco contract was taken, there has been a focus of activity on the smooth transitioning of the workforce to the Council, including establishing a dedicated TUPE team; a comprehensive consultation, communications and engagement programme and a support programme for all staff affected by the transition. Post transition there is a full programme of induction which includes a presentation from Lyn Carpenter on the direction and challenges for Thurrock. Another focus of work post-transition will be re-looking at services and teams to ensure Thurrock has in place the optimal structures.

Terminating this contract has already identified £3.6m annual savings and, having complete control over both the people and financial resources, will allow greater flexibility to the Council over the coming years to implement the changes that grant reductions will require.

## **Legal Services & Democratic Services**

### **Thurrock Shared Legal Services**

- Thurrock Shared Legal Service has now been established for just over 4 years;
- Following its Municipal Journal Achievement and “Lawyer of the Year” awards it continues to enhance Thurrock’s regional reputation through building capacity, resilience and internal expertise which has resulted in both savings and the generation of traded income for the Council;
- The Thurrock Shared Service arrangement was recently amended to appoint Monitoring Officers for each authority in order to improve services, build in extra capacity and responsiveness but retains a joint Head of Legal;
- We continue our 8 year track record of Thurrock’s Shared Service being a top performing Legal Service for Lexcel Accreditation by The Law Society which recognises solicitors who meet the highest management and customer care standards and show excellence in areas such as client care, case management and risk management;
- This year’s annual monitoring inspection by the Lexcel Inspector noted that:

“BDT Legal is an innovative and forward looking in-house legal team that combines high quality professional skills and knowledge with a breadth of experience across a wide range of services, delivered in a focussed manner by practitioners who display a strong sense of commercial awareness – an approach that is hard to achieve. Strong leadership skills are evident at all levels and there is a ‘can do’ attitude that informs everything the team undertakes. I have had the pleasure of assessing the work of the organisation for three years and they have consistently met or exceeded departmental objectives throughout that period.”

### **Performance examples from our teams include:**

- Our Children’s Legal Safeguarding team are concluding cases on average in 17 weeks which is a major achievement bearing in mind that the Family Justice Reforms require care proceedings to be concluded within 26 weeks and this year the cases have become more complex, including an increase in cases involving an international element and non-accidental injury cases;
- Our Partnership lawyer has been working with Council officers to facilitate the transfer back to Council management of strategic services from Serco Ltd following the Council’s decision to bring the partnership to an end;
- Our Procurement team has assisted with the prompt roll out of Thurrock’s flagship Gloriana project;
- Thurrock’s Shared Service Governance team continues to build its regional reputation and income generation with it regular briefings on key developments, training courses and governance advice. Our colleague, now Dr Paul Field has recently been awarded a doctorate for his well received thesis on the changes to the standards regime post Localism Act 2011;

### **Traded Services**

Since the latter half of 2013 the Thurrock Shared Service legal team were appointed as legal providers to Brentwood District Council providing both the

Monitoring Officer and Head of Legal role along with legal support across the full range of a District council's responsibilities. This work has been undertaken on a fee traded basis and has now been extended by Brentwood District Council to 2016 with a view to long term collaboration. The team has also successfully provided legal services to Westminster, Havering and Newham Council's and Lea Valley Regional Park on a fee traded basis and have been approached by a range of other authorities interested in learning lessons on shared working, especially in Essex.

### **Democratic Services:**

Democratic Services has undertaken a number of initiatives in the last year including:

- Being a key member concerning the Frost Estate Parish Council issue, helping to progress understanding and harmony in the community;
- Completed a number of task and finish groups and special meetings to investigate and progress a Fairness Commission, the Purfleet fly-tip, pathways into employment for young people and voluntary sector cuts, among many others;
- Digitised all committee paperwork and improved and streamlined administrative processes in relation to agenda creation and the flow of reports across the council;
- All team members have completed or are on their way to completing a national diploma recognising their professional Democratic Services skills;
- The team have been shortlisted for 'Team of the Year' at the Association of Democratic Services (ADSO) National Awards in Birmingham;

### **Electoral Services**

The team has:

- Successfully implemented Individual Elector Registration (IER) and undertook the first statutory annual canvass under IER with publication of the revised electoral register on 1st December 2014;
- Continues to undertake extensive data mining and data matching using council records and has issued 10,000 invitations to register to vote. This helped to generate 14,219 applications to register to vote from April to end October 2015;
- Successfully managed the Parliamentary election and local election on May 7th 2015;
- Is currently undertaking the 2015 statutory annual canvass and will publish the revised register on 1st December 2015;
- Has worked to improve the accuracy of the register and reduce the risk of eligible electors being removed from the register. The register currently has 1,577 (1.4%) unconfirmed electors who will be removed from the revised register when it is published on 1st December. In December 2014 this figure was 4,232 (3.78%);
- Has commenced planning for the Police Crime and Commissioner election combined with the local elections on May 5th 2016;

- Successfully managed three unscheduled by-elections all within peak canvass periods.

## **Human Resources, Organisational Development & Transformation**

The role of HR & OD is to ensure the council has a workforce in place that is confident, competent and delivering in line with the council's priorities. The restructuring of the service at the beginning of the year resulted in a reshaped unit and delivered savings of over £250k. The focus this year has been organisational change and delivering added value. Key activities include:

### **Chief Executive Recruitment**

Following the resignation of the previous Chief Executive the Council undertook, with cross party support, a high profile campaign to attract a new full time Chief Executive. Attracting a high number of excellent candidates a comprehensive assessment process resulted in Lyn Carpenter's appointed in June.

### **Social Worker Recruitment & Retention**

The national shortage and our proximity to London continues to create challenges for the council as regards the recruitment and retention of social workers – children's services particularly. This year has seen two initiatives to help respond to this challenge:

- **Regional Memorandum of Co-operation for Social Workers.**

Both our children's and adults services have signed up to a regional memorandum of co-operation. This work has supported targeted work with recruitment agencies to cap agency rates, taking regional approaches to data collection and focusing on reducing use of agency social workers and increasing permanent recruitment.

- **Newly Qualified Social Workers Campaign**

A joint innovative attraction campaign and assessment process resulted in the appointment of 19 excellent candidates. Key people from OD worked with Service Managers to raise the profile of Thurrock to newly qualified social workers (NQSW's) so they could appreciate the benefits of joining the Council and the opportunities on offer. An effective and engaging programme was established, including open days, tours of the Borough and comprehensive assessments of their skills. This campaign has been shortlisted for the Staff Award for Innovation.

### **IIP Gold Regional Group**

As IIP Gold achievers Thurrock was invited to participate in a regional Gold achievers group. This prestigious invitation has been welcomed as both beneficial and supportive for our on-going accreditation and review in July 2016.

### **Health and Wellbeing**

In order to ensure staff remained fully supported we delivered an enhanced health and wellbeing programme this year, culminating in a successful Health & Wellbeing week held in October which saw dozens of suppliers on site providing advice and support to employees. This year we have also provided the opportunity for staff to



access a free flu vaccination (200 in total), the first time we have done this for staff not on the frontline of services.

The corporate transformation programme has continued to deliver changes to infrastructure and systems to modernise the council's ways of working and facilitate savings.

### **IT Connects**

The programme to modernise the desktop computing and telephony at the Civic Offices concludes at the end of November 2015. All users based at the Civic Offices now benefit from using modern up to date software and hardware that enables users to work flexibly. Additionally the new technology has enabled 700 staff to work directly in the community using mobile devices which is giving customers a more responsive service and increasing productive time for field staff.

The programme has been expanded and now includes all external sites as well. By the end of November 2015 all sites external to the Civic Offices will be equipped with modern up to date software and hardware that is improving the way staff can work across the whole of the council's estate of buildings.

### **Digital Council Programme**

Supporting the 'Digital Council' ambition the Digital Council programme has delivered a number of new key systems, enabling directorates to deliver savings and providing a foundation for future efficiencies.

The Adults information, advice and guidance portal is now live and available on the website to provide residents with easy access to information about care and support options available. An online assessment tool has also been developed. This is currently being tested by staff and will be available to residents in the near future. This will provide residents with clear and quick advice about what financial support they are entitled to.

The digital documents solution is being deployed across the Council. Most services are now live with this and transferring their files to the new solution. This again supports our 'digital by design' ethos, eliminating paper, improving productivity and legal compliance.

Work is also starting to review and improve our corporate systems for Finance, HR/OD and Procurement to ensure we have a trusted single source of information, streamlined processes that provide timely and accurate meaningful management information that informs effective decision making. Enhancements to staff and manager self-service are also being delivered to drive out efficiency savings.

Work is underway to encourage staff and residents to use the website and the Council has now launched a feedback facility for residents to tell us what they think of the site so we can improve it further and report any problems. Residents are being encouraged to use the website and the range of services available is being expanded:

- 24,638 customers have registered for 'MyAccount'.

- 7,328 customers have registered for Council Tax.
- All Housing Benefits claims are now made online.
- 57% of bulky waste requests are made online.
- 40% of environmental reports are made online.

### **Operational Estate**

There has been substantial progress in transforming the workspace in Civic Offices. New flexible working arrangements have been introduced on all four floors of CO2 increasing the capacity from 700 staff to 1100 staff. The investment and benefits detailed in the business case are running to plan with £2.6m of capital investment which is offset over a five year period by expected revenue income of £2.9m from the leasing of CO1; negotiations are currently underway to ensure the council achieves the best possible rate of income.

### **Complaints**

The combined total of complaints and concerns received for the reporting period is 4102. During 2013/14, 3575 complaints/concerns were received and processed, so the reporting period has seen an increase in overall numbers received. During the reporting period, 41% of complaints have been upheld. This is an improvement compared with 2013/14, as 48% of complaints were upheld. For the reporting period, 98% of complaints were responded to in timeframe. This performance is encouraging when considered against the backdrop of the national austerity measures and the impact of reduced resources within the council.

The average response time for responding to LGO enquiries is 16 days. This is an improvement on 2013/14, where a year end average figure of 21 days was achieved. 4 cases investigated by the LGO were upheld.

### **Members Enquiries**

A total of 758 MP enquiries were received, of which 92% were responded to within timeframe. During 2013/14, performance within timeframe was reported as 98%, so this is a dip in performance (although there was an increase in enquiries received).

A total of 2913 Members enquiries were received, of which 98% were responded to within timeframe. The reporting period has also seen an increase in Members' enquiries that have been logged, as during 2013/14 2023 were received.

The correct process for logging Members Enquiries has been reinforced recently and Members are being asked to ensure that use [membersenquiries@thurrock.gov.uk](mailto:membersenquiries@thurrock.gov.uk).

### **FOI Requests**

During 2014/15, the council processed 98% of Freedom of Information (FOI) requests within the legal timeframe. This is based on 548 FOI requests that were processed. The council refuse requests where it is estimated that the time taken to process the request exceeds 18 hours. During 2014/15, 26 requests were refused due to the 18 hour threshold.

During 2014/15 the council received 21 Subject Access Requests under the Data Protection legislation. 71% of these requests were processed within timeframe.

## **Future Plans**

### **Counter Fraud & Investigation Service**

To build on the work already carried out and continue to develop and trade the service to other public service bodies.

### **Legal and Democratic Services**

Continue to trade the service to (i) generate income and raise the reputation of the Council and (ii) to provide in house solicitors with greater opportunities for personal development and thereby further increase our staff retention rates;

To continue to seek to improve our client satisfaction from both our in-house and external clients and provide a value for money service;

We are also developing an external facing website as a platform for further traded services and income generation, with a focused offer on high value specialist areas, training and governance support. In addition to this we are looking at structural reforms to lower our cost base and resource capacity for income generation;

### **Pay and Reward Review**

The pay review will progress over the next 12 months. This will include the introduction of a 'job families' approach, which many forward-looking Councils are starting to adopt; pay grades which will be compliant with equal pay legislation and an improved job evaluation scheme.

### **Digital Council Programme**

The next phase of the programme is now being considered with the aim of further exploiting technology to improve services and deliver efficiencies across the Council. This will be the subject of a future report and business case to Cabinet.

A system is being developed that will enable the Council to analyse data to identify the children most at risk of maltreatment so that early intervention action can be taken to prevent this.

The Council is implementing innovative technology that will enable us to streamline services, increase staff productivity and minimise the cost of back office services, developing workflow technologies and automating repetitive manual tasks.

We are also developing systems that enable us to identify where we should take early preventative action in order to help the council support vulnerable adults, families and children before they reach crises point. This will target resources more effectively and create better outcomes for the families and individuals involved, reducing how much the Council pays for crises intervention and the costs of our wider partners in dealing with the related broader social impact resulting from A&E admissions, crime and ASB, for example.

### **People Strategy and Staff Engagement**

A revised People Strategy will be developed aimed at equipping the Council with the workforce we need for the future. To support this, a new staff engagement approach will be developed which supports both employer and employee viewpoints.

## Financial Information:

(A Motion agreed by the Council on 23 January 2013 requires the Cabinet Member to cover all finance and budget issues of their portfolio that they consider relevant, including (but not limited to): fiscal management; budget responsibility of the cabinet member; receipts and actual spend vs. predicted spend; the levels of virements; and value for money.)

Service	Original Budget	Revised Budget	Budgets to Date	Actuals To Date	Variance	Forecast Outturn	Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Facilities	2,297	2,297	1,569	1,498	(71)	2,293	(4)
Corporate Finance	965	1,063	687	515	(172)	963	(100)
HR, OD & Transformation	2,388	2,675	924	759	(165)	2,275	(400)
Legal Services	2,364	2,385	1,278	1,170	(108)	2,385	0
	<b>8,013</b>	<b>8,419</b>	<b>4,458</b>	<b>3,942</b>	<b>(516)</b>	<b>7,915</b>	<b>(504)</b>

The above table shows a summary of the financial position within the portfolio. There will be an under spend within the portfolio, which has been reported to Directors boards and has been taken into consideration as part of the Councils corporate budget monitoring position.

The underspend is largely split between Corporate Finance and HR, OD & Transformation. These are underspends in 2015/16 only.

The savings within Corporate Finance are mainly around income generation through the Proceeds of Crime Act (POCA).

Within HR, OD & Transformation, there are a number of projects that the Council has allocated funds against. Whilst these are essential to the Councils continuous improvement and in order to meet statutory functions around its work force, it is anticipated that there will be some underspend in year, but these funds are fully committed in the future.