
Report to: Scrutiny Committee

Date of Meeting: 24 August 2017

Subject: Resources and Governance Service Business Plan 2017/18

Report by: Head of Resources and Governance

1.0 Purpose

- 1.1. This report presents the 2017/18 Business Plan for Resources and Governance.

2.0 Recommendations

- 2.1 It is recommended that the Committee notes the 2017/18 Business Plan, comments and challenges as appropriate, and agrees the performance targets for scrutiny purposes.

3.0 Considerations

- 3.1. The Business Plan sets out the main priorities to be pursued and the outcomes to be achieved, taking account of factors such as delivering the key priorities of the Council's Budget, requirements for organisational change, the challenging financial environment and public sector reform.
- 3.2. The Business Plan identifies key issues for the Service reflecting on the challenges and provides an overview of the approaches the Service plans to take in engaging with stakeholders; supporting and developing staff and managing performance. The Plan also details the Service's key actions, risks and performance indicators.

4.0 Sustainability Implications

- 4.1. Resources and Governance will aim to deliver sustainable services to both internal and external customers. The Service will support the Council's duties relating to the environment and sustainable development.

5.0 Resource Implications

5.1. Financial Details

5.2. The report sets out the capital and revenue budget and approved savings for delivery by Resources and Governance.

5.3. There are no new financial implications arising from the recommendations of this report. Yes

5.4. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

5.5. Staffing

5.6. There are no direct staffing implications resulting from the report.

6.0 Exempt Reports

6.1. Is this report exempt? Yes (please detail the reasons for exemption below)
No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

The area has a positive image and attracts people and businesses

Our communities are more cohesive and inclusive

People are better skilled, trained and ready for learning and employment

Our communities are safer

Vulnerable people and families are supported

Substance misuse and its effects are reduced

Health is improving and health inequalities are reducing

The environment is protected and enhanced for all

The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

- 8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Not applicable

9.0 Legality

- 9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

- 10.1 Appendix 1 - Resources and Governance Business Plan 2017/18


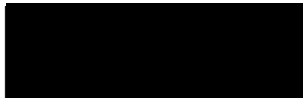
11.0 Background Papers

- 11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)
Yes (please list the documents below) No

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Stephen Coulter	Head of Resources and Governance	Extension : 2022

Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources and Governance	
Nikki Bridle	Depute Chief Executive	

DRAFT FOR CHANGING

Resources & Governance

Business Plan 2017-18

Making Clackmannanshire Better

1 SERVICE OVERVIEW

1.1 SERVICE MISSION / PURPOSE & OBJECTIVES

Mission

Our mission is to provide high quality, professional, value adding proactive advice, services and support to enable the Council to fulfil its priority objectives.

Objectives

Our objectives are to

- Design, review and implement robust policies and procedures to ensure compliance with statutory and governance obligations
- Enable officers to deliver their business objectives in an effective and cost efficient manner by providing high quality professional support services
- Provide strategic advice that will inform and shape future service delivery ensuring that the council's workforce grows its capacity and the Council achieves its corporate objectives
- Demonstrate best value through the effective use of the Council's resources
- Manage and develop R&G staff to ensure that they have the skills, attitude and motivation needed to meet the needs of the Council.

Values and Behaviours

Resources and Governance will embrace the Council's core values

Commitment, trust and partnership

Openness and accountability

Respect and dignity

Equality, fairness and inclusion

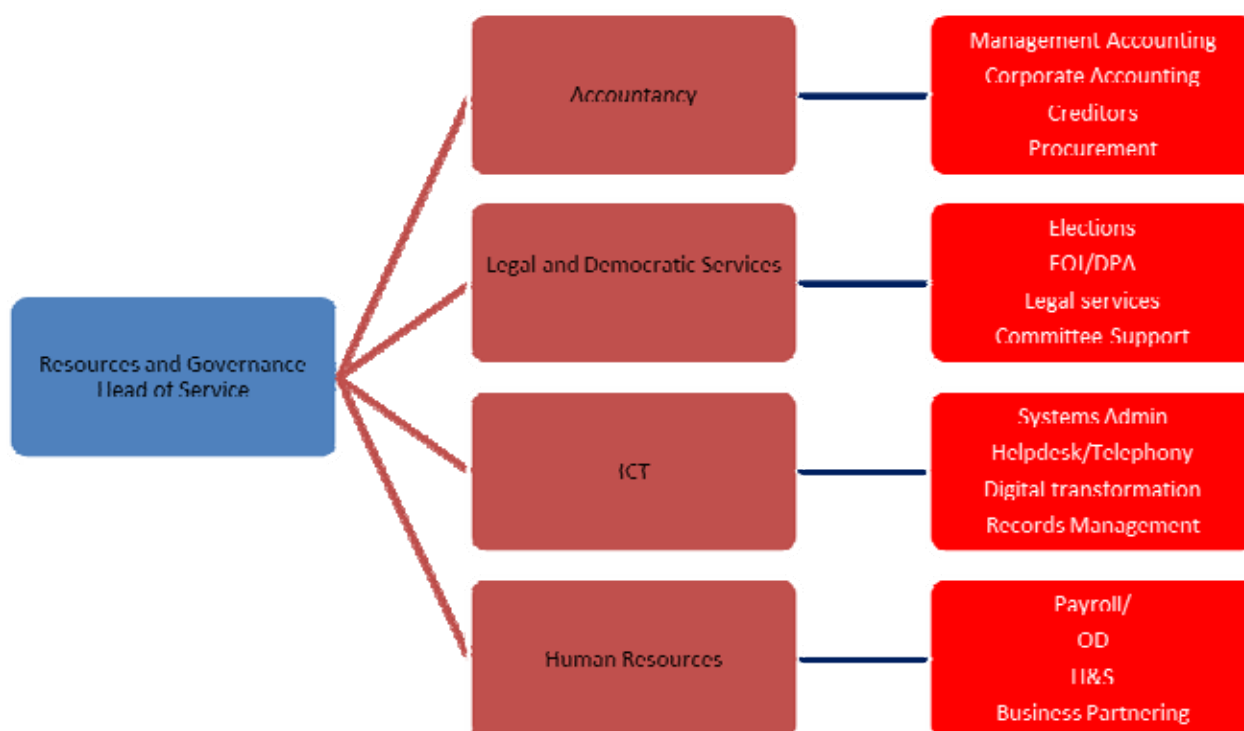
In addition R&G will proactively champion change encouraging its entire staff to contribute

The Resources and Governance service core functions comprise

- Accountancy
- Human Resources
- Legal and Democratic Services
- Internal Audit and Fraud
- Information and Communications Technology

1.2 SERVICE STRUCTURE

The structure at the start of 2017-18 is as follows:



1.3 BUDGET

REVENUE BUDGET	£5.784m	CAPITAL BUDGET (ICT Asset Management)	£0.535m
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R&G have been targeted with approximately £0.34m of savings which will be delivered across the range of services. This will be in addition to leading on corporate-wide changes aimed at further savings in regard to staffing and ongoing work with the trade unions to identify reform to terms and conditions and through the early release of staff.

Efficiency initiatives fall into three main areas, budget scrutiny, managing our ICT assets and staffing structures.

Budget Scrutiny: In 2016/17 R&G (excluding Assets) underspent its budget by £0.18 m.

Staffing Structures: R&G will focus on ensuring that it has the staff it requires with the appropriate skills and flexibility to meet the needs of stakeholders. Staffing efficiencies will continue to be identified and managed in accordance with the Service's workforce plan and associated corporate policies.

2 KEY ISSUES FOR THE SERVICE

2.1 Service-wide Issues

Resources and Governance Management updated the Service SWOT and PEST analysis to refresh the collective understanding of the challenges facing the Service. Key issues identified are listed below.

Financial

- Delivering identified savings and living within a reduced financial settlement.
- Progressing towards a sustainable model for R&G based on a clear definition of our role within the Council

Staffing

- Maintaining a workforce plan based on the Council's policy and guidance which will identify the staffing levels and skills needed
- With the number of changes and turnover anticipated across the Council due to managed contraction it is inevitable staff will be concerned about their personal futures. R&G senior management will continue to build resilience amongst staff to enable them to cope with change with a particular focus on developing the skills, attitude and engagement required for success

Health and Social Care Partnership /Valuation Joint Board

- R&G staff will continue to be involved in supporting the HSCP and VJB across a range of functions. Work will be undertaken to capture the range of requirements and full costs of providing such support to ensure that it is sustainable and there are sufficient resources available to allow continued support

Records Management

- The Keeper has approved the Council's Records Management Plan. Work on implementing the plan and improving our approaches to electronic and physical storage will be progressed and a full business case prepared in regard to modernising the approach to storage and retrieval of documents.

Organisational Change

- All R&G services will have responsibilities to support and lead change across all work streams. Organisational change will continue to present resourcing and governance challenges in ensuring that work is managed to appropriate project disciplines and suitably qualified staff are available to take part in projects and programmes. Key change projects for this year have been identified as the revitalised structural change to the Council's organisational model, City Deal, supporting Head Teachers in the management of Pupil Equity Funding and the regeneration project in Clackmannan.

Digital Strategy

- One Council, the Council's new finance system, has been implemented and the work will switch to the realisation of business benefits and the upgrade of the system to CI anywhere which enable mobile and remote access and the introduction of a new housing system.
- R&G will lead on or support the introduction of an improved digital infrastructure including the better exploitation of the existing systems, such as iTrent, the ongoing improvements in IT infrastructure and productivity tools and the introduction of a new social work system.
- R&G will also complete the Council's digital strategy based on key principles such as cloud by default, procuring software as a service and robust security systems.

Governance

- The Council's governance strategy has been revised alongside other council's key governance documents. Work on Finance Regulations, Contract Standing Orders, the Council's standing orders and scheme of delegation has progressed with the intention of having the key suite of governance documents agreed by the new Council during 2017-18.

2.2 Team Priorities

Each service is required to manage their own operational plan that sets out in more detail of the actions they will be taking forward. The main priorities for each team or service are identified below.

ICT

- Complete the digital strategy to complement the existing ICT strategy and ICT asset management plan.
- Manage the successful delivery of the ICT operational plan which includes a range of capital ICT projects including improvements to wi fi in council buildings, a second internet link to Kilncraigs and continuing server consolidation
- Deliver further efficiencies in mobile technology and printing
- Implementation of the Council's Records Management Plan Developing and delivering new or enhanced applications including video conferencing, social care system, Tech 1 enhancements and resource booking
- Supporting digital infrastructure elements of City Deal

HR, OD, Payroll and iTrent

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- Support the Executive Team and where appropriate lead on aspects of organisational development and learning development in support of the Council's change process and programme of managed contraction of the workforce. In particular revising the PRD process to capture staff skills and learning
- Continue to review all Human Resources Policies and Procedures to ensure they are fit for purpose and sustainable and make them accessible to all staff.

- Develop automate and simplify, where-ever possible, transactional HR and Payroll services, enabling the future development of strategic HR capacity and capability with a particular emphasis on migrating paper based or email based processes to workflow
- Work with the Trade Unions on the future structure of the framework of the Council's terms and conditions and the scoping of the principles of the Fair Work Convention in Clackmannanshire.
- Roll out the full functionality of myjobscotland to enhance the recruitment process

Health and Safety

- Manage the H&S aspects of potential H&S non-compliances including the preparation of Court cases
- Arrange training for senior officers in H&S responsibilities
- Lead on the restructuring of H&S governance in the Council
- Work with staff and managers across the Council to improve compliance
- Lead on the re-tender of Occupational Health services

Accountancy

- Exploit the opportunities presented by the introduction of a new finance system to re-structure processes and work more closely with service heads to improve budget management, annual reporting and business case development.
- Revise Finance Regulations to support the above
- Implement a re-design of the accountancy service
- Provide training on forecasting and budgeting to services
- Revitalise the capital investment group

Procurement

- Revise Contract Standing Orders and develop Procurement Strategy to align with the introduction of new procurement legislation including a public consultation.
- Undertake an initial procurement commercial improvement program (PCIP) assessment which the Council will be able to track progress after each assessment cycle (two years).

Internal Audit and Fraud

- Deliver the Internal Audit and Fraud plan as agreed with the R&A committee and undertake ad hoc investigations into alleged serious breaches of the Council's policies.
- Evaluate the pilot programme with Falkirk Council and prepare plans to extend the Joint Working Arrangement or take forward other options for service delivery

Democracy

- Deliver the 2017 Local Government election and UK general election.
- Review the Council's approach to data protection in the light of GDPR legislation

Legal Services

- Restructure the service in line with organisational redesign principles and analysis of current and future workloads

- Provide regular reports on the volume and costs involved in legal activity in particular the costs of high profile cases that stretch over a number of years
- Support changes in Council governance in particular lead on the re-drafting of Standing Orders and ensure Committees are appropriately clerked and supported

3 APPROACHES

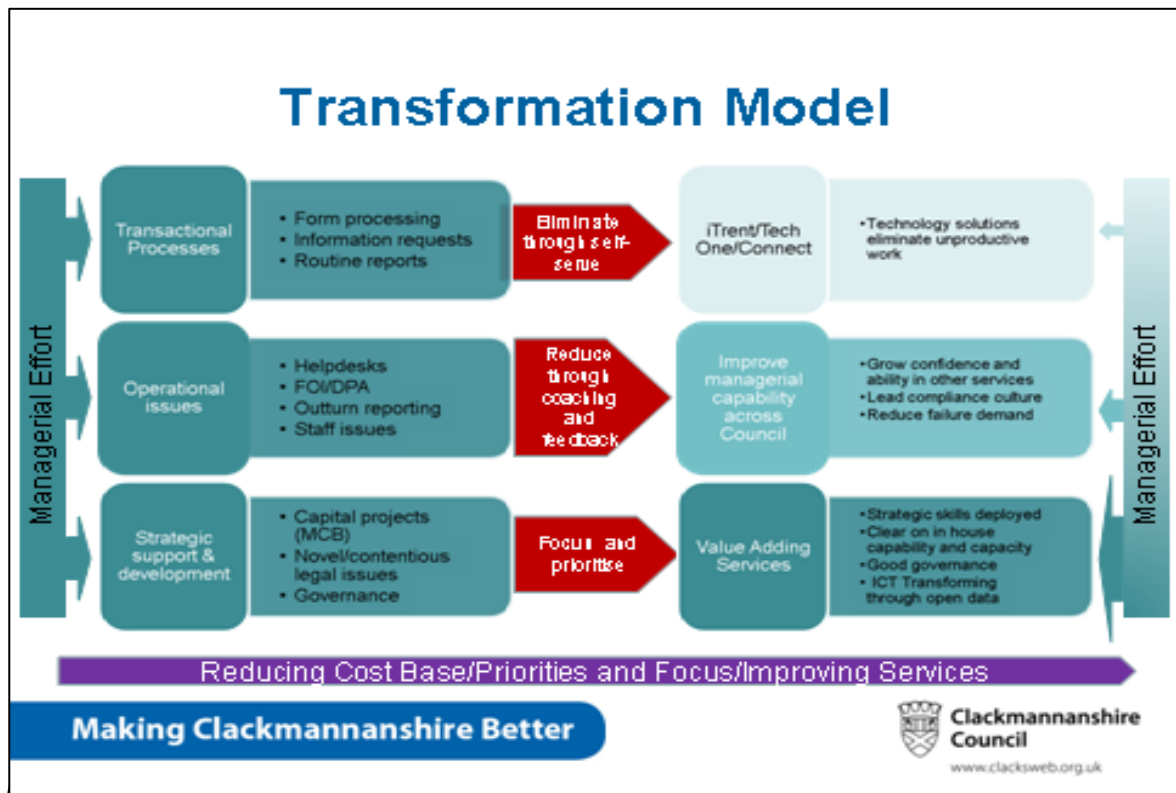
3.1 Strategic Direction

The strategic direction for R&G is depicted in Figure 1. The overall direction is towards providing the Council with strategic support that adds genuine value to the front line services that the public require. There needs to be a decisive shift away from existing working practices to new approaches as follows:

- Currently managerial effort is split between transactional, operational and strategic support therefore, transactional services that can be re-engineered through process improvement activities and the exploitation of technology should be reduced or eliminated
- Operational support services that should be owned by service delivery units are identified and sufficient training and coaching is provided to build organisational capacity
- R&G is predominantly focussed on providing in-house expertise in corporate services and, where there are skills gaps, those skills are procured or accessed through partnerships or appropriate support from external organisations

This strategy will deliver savings across all of the teams as well as providing more flexible and appropriate support focussed on the Council's major challenges.

Figure 1: R&G Transformational Model



3.1 CUSTOMER/STAKEHOLDER ENGAGEMENT

The R&G transformational strategy requires a continuous assessment of the relationship that the Service has with other Council Services and stakeholders. A simplistic model based on a traditional customer-supplier relationship and the traditional frameworks and metrics that measure progress is not appropriate or deliverable given the pressures facing the Council.

Where front line services such as Education and Social Work are prioritised to the benefit of Clackmannanshire's people, innovation in the delivery of corporate services is essential to ensure a balanced budget.

To ensure good governance in the Council and the delivery of best value, R&G services must be pro-active in challenging the practices and robustness of the Council's assurance processes, as well as using its skills and expertise to work alongside other services to help improve management processes and ensure their robust implementation.

The concepts of business partnering models in HR and accountancy have been introduced and will be developed further with greater use of feedback mechanisms at the point of service delivery explored.

A key role of R&G is providing assurance to elected members about the performance of the Service as well as the performance of the Council as a whole. The Service is committed to supporting newly elected members in becoming fully conversant with their roles and responsibilities as quickly as possible and ensuring appropriate relationships with all elected members within the Service's areas of responsibility.

3.2 SUPPORTING AND DEVELOPING STAFF

R&G Senior Managers undertook a workforce planning session and produced a workforce plan in 2016. The Service has allowed early release of staff through VR and VS where it is in the best interests of the organisation and the staff member wishing to exit. This will continue.

The move towards more strategic services will require investment in skills. Within the current financial constraints investment in training is obviously limited but where there is a business need which is best met by training this will be pursued.

The progress made in implementing a consistent approach to objective setting and appraisal will continue with the aim of ensuring that all staff will have regular meetings with their line managers and have a structured conversation at least once a year outlining what is expected from them, areas of strengths and weaknesses and a chance to reflect on the delivery of personal objectives.

iTrent will be used for recording objectives and the PRD discussion across the Service.

3.3 MANAGING SERVICE PERFORMANCE

It is a core responsibility of staff to ensure that data relevant to their personal and, where appropriate, service performance is collated and captured on iTrent. This will provide accurate and timely performance management information. Performance reports will be considered at service management team meetings and action taken where required to improve performance. The Service Management Team will monitor and manage all aspects of performance, including risk management through service, team and one-to-one meetings.

R&G management have developed a good understanding of the potential benefits of the Covalent performance management system and are active users of it.

The Council's formal scrutiny arrangements provide a challenge to R&G performance on a quarterly basis. A range of KPIs are reported and elected members are invited to comment on performance and results.

R&G's internal control systems demonstrate compliance with external requirements in terms of inspection, audit and review. R&G work in partnership with the relevant external agencies including external auditors and government bodies to review practice and identify areas for improvement.

R&G is responsible for the delivery of the Internal Audit and Fraud annual plan and resulting reports and will take a corporate view of any identified weaknesses in terms of internal control and work with services to make improvements as necessary.

4 DELIVERY PLAN

Resources & Governance Indicators

Covalent Code	KPI	2014/15	2015/16	2016/17	2017/18	Lead
		Value	Value	Value	Target	
ACC B01 RAG	Performance against phased budgeted spend - Resources and Governance	100.0%	94.3%	98.9%	100.0%	Stephen Coulter
GOV AUD 001	Percentage of Internal Audit plan completed	100%	100%	58%	100%	Gordon O'Connor
ITS ITS 002	Percentage of available hours lost on ICT systems due to unplanned incidents	0.060%	0.035%	0.015%	0.015%	John Munro
RAG HS3 GOV	Proportion of Resources & Governance Health and Safety Risk Assessments reviewed and up to date	75.0%	95.0%	100.0%	100.0%	Stephen Coulter
RAG PPL 003	Percentage of Resources and Governance staff recorded as having completed a PRD	80.0%	40.5%	42.0%	95.0%	Stephen Coulter

Corporate Indicators

Covalent Code	KPI	2014/15	2015/16	2016/17	2017/18	Lead
		Value	Value	Value	Target	
COU AB1 GOV	Average FTE days lost through sickness absence per employee (Teachers plus all other local government employees)	12.12	11.83	14.7	12	Chris Alliston
COU FOI GOV	Percentage of Council Freedom of Information requests dealt with within timescale		91.1%	92.8%	93.0%	Annette McEnaney

COST REDUCING ACTIONS

Covalent Code	ACTION	Expected Savings (Current Year)	By When	Lead	
COU 178 017	Savings and/or income from increased focus on efficient and compliant business processes. Initial focus on procurement and income maximisation.	£200,000.00	31-Mar-2018	Elaine McPherson	Head of R&G to convene project group for this; under Financial Sustainability MCB workstream. This is focussed on improved procurement and income generation and recovery practices
RAG 178 001	Reduction in mobile devices and contract rationalisation	£40,000.00	31-Mar-2018	Stephen Coulter	Ongoing work to ensure the use of technology is continuously improving leading to budget savings
RAG 178 002	Reduction in corporate training budget	£30,000.00	31-Mar-2018	Stephen Coulter	Opportunities for greater efficiency in the use of the training budget based on improved administration and analysis of need and outcomes
RAG 178 003	Savings from staff taking voluntary severance	£250,000.00	31-Mar-2018	Stephen Coulter	VS can be applied for at any time. However HR will re-launch the VS scheme to further promote the opportunity for staff to leave with benefits as per the severance policy
RAG 178 004	Uptake of flexible working options by staff, eg buy-back leave, term-time, career break etc.	£20,000.00	31-Mar-2018	Stephen Coulter	HR will continue to promote the use of flexible working packages such as reduced hours and buy back of leave as a means of making savings
RAG 178 005	Negotiated reduction in 2017/18 external audit fee CASH saving	£4,000.00	31-Mar-2018	Stephen Coulter	Accountancy to ensure the setting of the audit fee is aligned with the budget


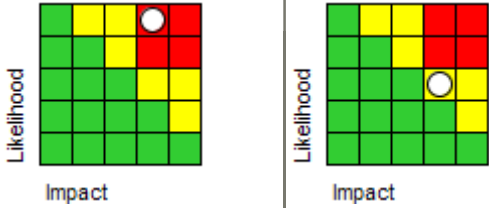

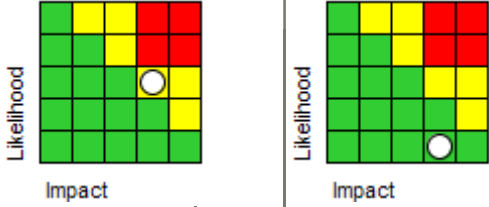
2 Policy Proposals


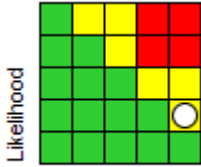
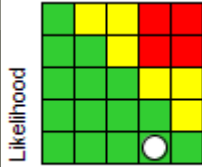

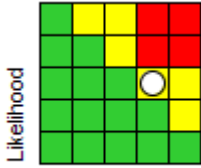
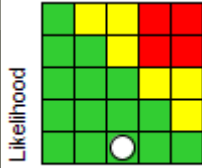
Covalent Code	ACTION	Expected Savings (Current Year)	By When	Lead	
COU 178 019	Increase in charges levied by the Council for services it provides generate additional income.	£60,000.00	31-Mar-2018	Nikki Bridle	R&G will ensure that all services take action as required to implement revised charges. IA have been commissioned to follow up with audit work. Responsibility ultimately lies with Head of Service to implement changes in their services as per Finance Regulations
MCB RAG 039	Remove unsocial hours allowances and buy out contractual elements at cost of £169k, retain night allowances for Social Work.	£363,000.00	31-Mar-2018	Stephen Coulter	Unsocial hours expenditure in 17-18 was approx. £320k demonstrating a £43k reduction in the use of unsocial hours from the saving identified in 2015-16 against which this baseline is set. R&G will lead negotiations with JTUC and lead on any further actions required to implement the changes required to Ts and Cs to implement this saving.


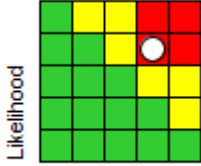
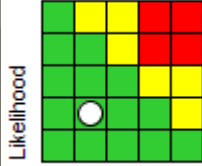

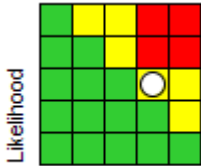
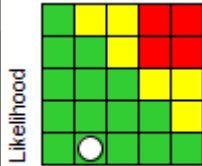
3 Savings Carried Forward

Covalent Code	ACTION	Year One Saving (2017/18)	Year Two Saving (2018/19)	Year Three Saving (2019/20)	Total	By When	Lead	
MCB RAG 055	Review of Printing	£3,041	£3,041	£3,041	£9,123	31-Mar-2018	John Munro	Downward pressure will continue to be applied to reduce RAG admin budgets.
RAG 167 028	Reduce administrative budgets in line with 14/15 outturns	£24,000	£0	£0	£24,000	31-Mar-2017	Stephen Coulter	Progress has already been made by IT to introduce more efficient use of printers. The actual savings are made up of a number of actions based on behavioural and contractual changes.

R&G Risk Register 2017-18

RISK	RAG CRR 009	Organisational information and knowledge are not effectively managed due to poor information sharing, records, absence management and succession planning, increased dependence on IT systems and unrecorded knowledge held by staff members.	Status		Current Rating	20	Target Rating	12
Managed By	Stephen Coulter, John Munro							
Potential Effect	Increased difficulty and time to access information and loss of tacit information and knowledge when staff leave or are absent, resulting in duplication or non-completion of (possibly statutory) duties. Loss of productivity when systems do not operate effectively, causing frustration and impact on staff morale. Increased risk of DPA and FOI compliance breaches							
Related Actions	RAG 17 001	Implement Records management plan			Internal Controls	People Strategy		
	RAG 17 002	Deliver the business benefits from the introduction of the new finance system				Information & Communication Technology Strategy		
	RAG 17 003	Deliver actions and projects required to support the outcomes of the Making Clackmannanshire Better Programme. Particular focus on Workstream 5, making the Organisation Stronger.				Information Management Strategy		
RISK	RAG RAG 001	Lack of corporate compliance with policies, procedures and processes designed by R&G specialists which enable efficient business processes and good governance	Status		Current Rating	12	Target Rating	4
Managed By	Stephen Coulter							
Potential Effect	Council suffers reputational or financial loss and/or is unable to maximise best value or realise project benefits. Service has to change approach or objective to ensure corporate or legislative compliance. Dissatisfied customer.							
Related Actions	RAG 17 004	Undertake full options appraisal of Resources and Governance service delivery models and structure.			Internal Controls	Governance Panel		
	RAG 17 005	Agree a corporate approach to policy/procedure review and align with key policies in Governance strategy and Scheme of Delegation				Governance Improvement Plans		
						Governance & Audit Processes		

RISK	RAG RAG 005	A significant failure of secure ICT systems that has a major detrimental impact on council operations	Status		Current Rating	10	Target Rating	4
Managed By	Stephen Coulter; John Munro							
Potential Effect	<p>Council cannot transact vital business. Financial transactions disrupted leading to a loss of council revenue or financial hardship to individuals</p> <p>Loss of confidence in the council and reputational damage</p> <p>Destruction of knowledge assets or costs to recover</p> <p>Operational costs in business due to lost productivity</p>							
Related Actions	RAG 17 006	Business Continuity (IT)	Internal Controls	Information & Communication Technology Strategy				
	RAG 17 007	Review options for increasing digital transactions.		Business Continuity Plans				
	RAG 17 008	Deliver the business benefits from the introduction of the new finance system		Operational Business Plan				
	RAG 17 009	Move to cloud based systems						
RISK	RAG RAG 006	Changing job roles and uncertainty of Council's long term direction creates anxiety in staff	Status		Current Rating	12	Target Rating	3
Managed By	Chris Alliston; Stephen Coulter; John Munro; Lindsay Sim;							
Potential Effect	<p>Stress on staff members leading to absenteeism</p> <p>Loss of engagement of team members and reduced effort</p> <p>Poor quality outcomes for the Council because of weaker central support services</p> <p>Loss of resilience in staff</p>							
Related Actions	RAG 17 010	Implement a clear workforce strategy and revise supporting employment policies as appropriate.	Internal Controls	Staff Survey				
	RAG 17 011	R&G senior management to consider options to improve staff recognition and engagement		Leadership Development Programme				
	RAG 17 012	Implement Records management plan		Budget Strategy				
				Health & Safety Management System				
				Maximising Attendance & Employee Wellbeing Policy				
			Making Clackmannanshire Better Programme					

RISK	RAG RAG 008	Internal R&G and other Corporate projects and activities requiring input from one or more R&G teams	Status		Current Rating	16	Target Rating	4
Managed By	Stephen Coulter							
Potential Effect	Resource is diverted to projects resulting in fall in quality or delays in "business as usual" Projects fail Inability to support transformational work							
Related Actions	RAG 17 013	Institute process of time/activity recording in R&G			Internal Controls	Business Planning Process		
	RAG 17 014	Ensure Project plans and, other service business plans properly capture the resource requirements on R&G						
RISK	RAG RAG 009	R&G service reviews don't deliver savings or improved quality of service	Status		Current Rating	12	Target Rating	2
Managed By	Stephen Coulter							
Potential Effect	R&G does not adapt to budget pressures Opportunities to capitalise on new technology are lost Job roles remain administrative/support rather than strategic and consultative							
Related Actions	RAG 17 015	Review options for increasing digital transactions.			Internal Controls			
	RAG 17 016	Deliver the business benefits from the introduction of the new finance system						

