

CLACKMANNANSHIRE COUNCIL

Report to Scrutiny Committee

Date of Meeting: 1 December 2011

Subject: Scrutiny Committee Reviews: Draft Scope

Report by: Director of Finance and Corporate Services

1.0 Purpose

- 1.1. The purpose of this report is to present to Scrutiny Committee the draft scope documents in respect of the two planned Scrutiny Reviews covering Employment and Financial resilience. This report builds on the report presented to Council on 30th June 2011 which set out the Committee's Forward Plan.

2.0 Recommendations

- 2.1. It is recommended that the Committee:

- approves the scope and approach set out in respect of the planned review of Employment (Appendix A),
- approves the scope and approach set out in respect of the planned review of Financial Resilience (Appendix B),
- approves the proposed joint commissioning and resourcing arrangements for the review of financial resilience with Clackmannanshire Alliance,
- approves the key milestones and timescales for the completion of the reviews
- approve in principle the proposed approach to reporting the findings of the reviews to Council.

3.0 Considerations

- 3.1. On 30th June 2011, Council approved the Scrutiny Plan for the period up to 31 March 2012. The plan was produced following a planning event facilitated by officers on behalf of the Committee in May 2011. The approach adopted took account of recommendations arising from the wider review of the Council's Scrutiny Committee arrangements.

3.2 Exhibit 1 overleaf summarises the details of the two Scrutiny Reviews agreed by the Scrutiny Committee and Council:

Exhibit 1: Scrutiny review themes 2011/12

Issue	Outline Scope	Comments
Employment	<ul style="list-style-type: none"> • review management and monitoring arrangements for planned and developing service redesign and structural changes • review arrangements for the management and monitoring of the Shared Services for Education and Social Services with Stirling • review the frequency and nature of engagement with Trades Unions • document and analyse the resource implications of above initiatives across the council and its partners (including on corporate support services) 	<p>This theme acknowledges the significant corporate organisational change agenda the Council is undertaking , for instance service redesign and shared services, alongside routine operational demands.</p> <p>It also acknowledges a number of mitigation factors in place. However, the residual risk based on capacity pressure and reputational risk was a significant factor in the selection of the review area.</p>
Financial resilience	<ul style="list-style-type: none"> • review impact of recession on economic development within the area • review a selection of SOA outcome themes which are performing well and less well to understand the key influencing factors and/or barriers to desired improvement 	<p>This review recognises that in common with the wider public sector, the Council is subject to a period of sustained financial pressure which is anticipated to continue in the medium term.</p> <p>The Committee has acknowledged the procedural mitigation in place with regards many aspects of financial</p>

Issue	Outline Scope	Comments
	<ul style="list-style-type: none"> review the impact of financial pressures within a sample of discrete communities. 	<p>planning. This review therefore aims to focus on the local impacts of constrained finances on the Council's ability to deliver improved outcomes, specific impacts within individual communities and for economic development in the area as a whole.</p>

3.3 In addition to the above themes identified for review, the Committee indicated that it would like to keep a 'watching brief' in the following areas:

- development of corporate governance arrangements
- capital expenditure.

These areas were not selected for full review at this time as Committee members acknowledged that significant work is planned during the year. However, the Committee agreed that it may wish to consider these as priority areas as part of its planning process for 2012/13.

3.4 Following approval of these areas for review, work has been undertaken to develop more detailed scope documents in respect of each of the selected themes. The proposed scope of the Employment review is set out at Appendix A, and a similar document for the Financial Resilience review at Appendix B. These documents set out the objectives, scope and proposed approach for undertaking each review. They also identify the corporate resources which will be allocated to support the review along with the key project milestones and proposed timescales.

3.5 The proposed review of Financial resilience indicates the importance of the joint working which takes place through Clackmannanshire Alliance. As a consequence it is proposed that this review is jointly commissioned and resourced through Clackmannanshire Alliance. As a consequence it will be necessary to engage partners in a dialogue about the proposed scope and timing of the review.

3.5 The Committee has indicated informally at the planning stage that once these reviews are completed it envisages that a summary of findings and key recommendations will be reported to Council. It is therefore proposed that in preparing the final report on each review for the Committee, a summary of findings and recommendations will be extracted and presented to the Committee for approval and reporting to Council.

4.0 Conclusions

- 4.1 The Scrutiny Committee Forward Plan has identified two reviews as part of its 2011/12 programmed activity. The proposed scope, objectives approach and timescales are set out within more detailed scope documents for approval by the Committee.
- 4.2 Following approval by the Committee, officers will commence the planned activity and report back on progress, findings and recommendations for improvements to Committee in line with the key reporting timescales set out within the respective scope documents.

5.0 Sustainability Implications

- 5.1 The Council's budget and its approval will allow services to deliver against sustainable outcomes.

6.0 Resource Implications

6.1 Financial Details

- 6.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes

- 6.3. Finance have been consulted and have agreed the financial implications as set out in the report.

Yes

6.4. Staffing

Staffing implications have been considered within individual service savings proposals and there is an ongoing dialogue with HR, Service Managers and trades union representatives as appropriate.

7.0 Exempt Reports

- 7.1 Is this report exempt? **No**

8.0 Declarations

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

(1) Our Priorities 2008 - 2011

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)

Financial Regulations

Scheme of Delegation

9.0 Equalities Impact

- 9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes

10.0 Legality

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

Yes

11.0 Appendices

- 11.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A: Employment

Appendix B: Financial Resilience

12.0 Background Papers

- 12.1 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

Scrutiny Review June 2011



Scrutiny Planning Workshop presentation and analysis May 2011

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
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Elaine Mcpherson	Chief Executive	

**Scrutiny Reviews 2011/12
Draft scope**

Employment

This review has been selected in recognition of the significant corporate organisational change the Council is undertaking . The key aspects of this change agenda include:

- development of shared service initiatives, the most significant of which is focused on the joint delivery of Social Services and Education services with Stirling Council
- Phase 3 of the ongoing corporate redesign and restructuring process to modernise and streamline council structures and processes to ensure a strong focus on customers, minimise duplication and overlap across the council's activities and embed continuous improvement in everything we deliver.

This significant agenda is being undertaken at a time of unprecedented challenge in the public sector, not least in respect of the resources available to deliver on priority service initiatives and the need to do more with less. These pressures have led to a freeze in employee remuneration and considerable scrutiny of the terms and conditions of employment of public sector staff and the differences between its constituent parts.

Taken together, these factors have potentially significant implications for employers and employees. In order to ensure that the Council is properly equipped to deal with these issues and demands, the Scrutiny Committee has elected to undertake a more detailed review of Clackmannanshire Council's preparedness and capacity to deal with these pressures.

OBJECTIVES

The objectives of the review are to monitor and evaluate that :

- appropriate management arrangements are in place for developing corporate service redesign proposals and developing and overseeing shared service developments
- appropriate monitoring arrangements are in place to ensure compliance with the agreed programme of service redesign proposals and planned timescales and to ensure the governance and delivery of planned shared service developments
- appropriate HR resources have been allocated to support service managers in developing and consulting on redesign proposals, and to the Programme Board and Joint Heads of Service in developing new

structures and agreeing employee terms and conditions

- the frequency and nature of trade union engagement in respect of service redesign proposals, shared service developments and single status appeals and equal pay is proportionate and appropriate
- the level of HR capacity required and available to support key corporate projects such as service redesign, shared services and single status and equal pay is appropriate
- appropriate monitoring arrangements are in place to assess employee morale
- appropriate arrangements and resources are in place to ensure that workforce development is prioritised and that staff are supported in the delivery of their roles.

SCOPE

The review is primarily focused on Clackmannanshire Council's internal capacity requirements and resources. It focuses on the Council's internal capacity to manage the increased demand facing some of the Council's core support services. It includes reference to additional resources available as a consequence of collaborative working with Stirling Council's HR service.

The key areas of focus will be on the capacity of elected members, senior management, staff and of the HR service.

The review of employment, the business community and employability in Clackmannanshire's area is not considered as part of the scope of this review.

APPROACH

The review will use the following approach:

- Interviews with a sample of senior managers and elected members, the joint Heads of Service, Programme Board and HR and Governance Managers
- Focus groups with a cross section of staff from a cross the range of council services
- evaluation of documented approaches in respect of project management and monitoring and governance and communication against good practice
- review of appropriate documentation including: project plans, monitoring reports, minutes, staff and Trade Union communication

- documentation and evaluation of communication mechanisms with elected members, staff, trades unions and other stakeholders
- analysis of a sample of stakeholder diaries to evaluate the additional capacity requirements
- documentation and evaluation of overall professional resourcing levels in HR compared to (historic, current and future) workload
- evaluation of available skills against those required
- analysis of staff survey responses over time.

RESOURCES

In order to achieve the planned timescale, it is important that appropriate corporate resource is allocated to deliver the review. It is propose that a small group of senior managers will be established to undertake the review. This group will comprise the following senior managers:

- Stuart Crickmar, Service Manager Strategy and Performance
- Lisa Simpson, Service Manager Governance
- Graeme Cunningham, Service Manager Environment.

The work of this group will be overseen by Julie Burnett, Senior Support Services Manager. The group will also be supported by appropriate analytical and Business Support resources as required.

The work will be quality assured by the Director of Finance and Corporate Services and the Head of Customer and Strategy prior to consideration by the Scrutiny Committee.

REPORTING

The reporting of the review will be in three stages:

Stage 1: Agreement of draft scope

Stage 2: Progress report to Scrutiny Committee against planned timescales and a summary of emerging issues

Stage 3: Draft review report to Scrutiny Committee to identify potential recommendations to Council.

TIMESCALES

The table below sets out the planned timescales for each stage of the review:

Stage of review	Planned start date	Planned completion date
Scoping	September 2011	October 2011

Fieldwork	November 2011	February 2012
Progress report to Scrutiny Committee	12 January 2012	12 January 2012
Analysis	February 2012	March 2012
Report drafting	March 2012	March 2012
Final draft report to Scrutiny Committee	April 2012	April 2012

Financial Resilience

This review has been selected in recognition of the fact that in common with the wider public sector, the Council is subject to a period of financial pressure which is anticipated to continue beyond the current Spending Review period into the medium term. Against this background the Council, in collaboration with its partners, aims to maintain its focus on improving outcomes for service users and delivering continuous improvement for the area's residents. The theme of doing 'more with less' has required a sustained focus on prioritising the needs of the most vulnerable service users and clarifying the strategic priorities for the area and all council services.

Over the last 18 months, a significant amount of work has been undertaken to ensure robust financial planning arrangements are in place. This work includes :

- development of Finance/Reserves Strategy
- development of a comprehensive Budget Strategy
- development of a robust Investment Strategy
- embedded arrangements for robust budget monitoring and reporting arrangements
- service redesign and restructuring proposals developed to ensure appropriate financial and technical capacity.

In undertaking its planning for 2011/12, the Committee acknowledged these procedural improvements. As a consequence, this review aims to focus on the tangible local impacts or otherwise, of constrained finances on the Council's ability to deliver improved outcomes and specific impacts within individual communities. It also considers the impact and implications for economic development in the area as a whole.

The Council's contribution can not, however, be viewed in isolation from the contribution of its partners, particularly the area's Community Planning Partnership, Clackmannanshire Alliance.

OBJECTIVES

The objectives of the review are to:

- review the impact of the recession on economic development within the area

- identify the key barriers and levers to improving outcomes/ achieving the desired level of improvement in the current operating environment
- review the potential impact of employment trends and financial pressures in geographic communities in terms of demand for council services
- evaluate the implications of changing demands and economic performance on demand for council services in the future
- evaluate the arrangements for keeping resource allocation under review to ensure resources are directed to areas/ services of greatest need/ priority.

SCOPE

The review is focused on establishing the potentially changing picture in Clackmannanshire as a consequence of the financial pressures in evidence across all public sector service providers and the need to reduce their operating cost base. This may be manifested through changes in the nature or range of services provided and/or capacity to manage increasing demand in response to increasing demographic pressures. A key factor may be the differing levels of financial pressures being experienced by different public sector bodies who are currently working together to secure improved outcomes for the area.

In addition the review will seek to establish the external impact of the wider recession on business and employment in the area. Significant factors here may include the trends and geographic incidence in local employment levels and the impact over time of implementing planned Welfare Reforms.

A key focus will be to assess the implications of ongoing financial pressure in broad demographic terms to allow the Council and its partners to design, plan and resource services for the future.

The review of financial planning arrangements is not explicitly under review, however, it will be necessary to consider the financial impacts and arrangements in place in considering many aspects of those areas defined within scope.

APPROACH

The review will use the following approach:

- Interviews with a sample of senior managers and elected members, partners and businesses

- Focus groups with a cross section of service users and residents from across the range of council services
- analysis of demographic and demand data for services provided within specified geographical areas over recent years to establish potential future demand and trends
- analysis of economic performance data in specified geographical areas
- analysis of the likely impact of planned welfare reforms across the council area to identify those areas and age groups most affected
- selection and analysis of 3 SOA priority themes-one which is performing well, one which is performing less well and one which is maintaining performance. In all cases, the key positive influences and barriers to improvement will be analysed and appraised to establish common themes and traits
- review of appropriate documentation including: Government proposals, Alliance minutes, project plans, monitoring reports,
- reference to Audit Commission research in Scotland and England.

RESOURCES

In order to achieve the planned timescale, it is important that appropriate corporate and partner resource is allocated to deliver the review. It is proposed that a small group of senior managers will be established to undertake the review. This group will comprise the following service managers:

- Stuart Crickmar, Service Manager Strategy and Performance
- Julie Hamilton, Service Manager, Development
- Susan MacKay, Revenues and Payments Manager
- Representation from Clackmannanshire Alliance will also be sought

The work of this group will be overseen by Julie Burnett, Senior Support Services Manager. The group will also be supported by appropriate analytical and Business Support resources as required.

The work will be quality assured by the Director of Finance and Corporate Services and the Head of Customer and Strategy prior to consideration by the Scrutiny Committee.

REPORTING

The reporting of the review will be in three stages:

Stage 1: Agreement of draft scope with Scrutiny Committee and Clackmannanshire Alliance

Stage 2: Progress report to Scrutiny Committee and Clackmannanshire Alliance against planned timescales and a summary of emerging issues

Stage 3: Draft review report to Scrutiny Committee and Clackmannanshire Alliance to identify potential recommendations to Council.

TIMESCALES

The table below sets out the planned timescales for each stage of the review:

Stage of review	Planned start date	Planned completion date
Scoping	October 2011	December 2011
Fieldwork	February 2012	April 2012
Progress report to Scrutiny Committee	5 April 2012	5 April 2012
Progress report to Clackmannanshire Alliance		
Analysis	April 2012	April 2012
Report drafting	May 2012	May 2012
Final draft report to Scrutiny Committee	June 2012	June 2012