**REVIEW OF SUPPORT SERVICES**
**(Report by the Head of Financial Services)**

1       **PURPOSE**

**1.1**    To identify whether further savings can be achieved in support
services.

2       **BACKGROUND**

2.1     The Panel has previously considered the recharges of support
costs to Council services. It recognised that the Council is obliged
to publish full cost accounts for certain statutory purposes and that
the necessary allocations of support services costs should be
carried out as simply as possible, consistent with reasonableness.
This minimises wasteful administrative overheads and has
recently contributed to the ability to allow a voluntary redundancy
in the accountancy team.

2.2     For most purposes, especially budgetary control, the Council
focuses on "controllable" costs. These are the costs that the
relevant manager can directly influence and obviously excludes
the allocation of support services and various other overheads
such as office space. Thus the costs of, say, accountancy are
being monitored and reviewed by myself rather than by a whole
range of managers considering an individual allocated portion of
them.

2.3     The Panel decided that the best way to review support services
was to consider each service and its costs to form a view on its
efficiency and cost effectiveness. A summary is therefore attached
which provides brief information about each support service so the
Panel can to choose a service on which to undertake a pilot
review. The Pilot will enable an approach to be set for the review
of the remaining support services over a suitable time frame.

2.4     There are some grey areas about the definition of support
services. For example, everyone would probably agree that
income collection or facilities management were support services
but some might argue that Customer Services is a frontline
service. Democratic Services provides support to Members rather
than other services. These have been included.

2.5     The proposed Corporate Office (functions of the old PPP Division)
is not included because savings proposals are currently under

formal consultation with the Staff Side. Some services have a shared admin section to support one or more teams and these have not been included either.

## 3. REVIEW

3.1 The annex shows 13 support services and gives the number of employees, the direct (controllable) costs and some comments that affect the potential priority order for review. A number already have management reviews underway or planned and most have already had some element of savings made over the last 2 years.

3.2 Taking account of these comments it is proposed that the pilot review be carried out on one of the following four services :

|  | FTE No. | Pay £M | Other Costs £M | Total Cost £M |
|---|---|---|---|---|
| **Facilities Management** | 9.1 | 0.3 | 0.9 | 1.2 |
| **Document Centre** | 12.4 | 0.4 | 0.2 | 0.6 |
| **Democratic Services** | 6.2 | 0.3 | 0.1 | 0.4 |
| **IMD** | 33.8 | 1.5 | 0.6 | 2.1 |

3.2 In the light of the results of the pilot the remaining services should be considered in turn, taking account of the comments already provided and any updates, to determine the timetable.

## 4. RECOMMENDATIONS

**The Panel is recommended to:**

- **Agree one of the above services for the pilot review**
- **Establish a working group to undertake the review**

**ACCESS TO INFORMATION ACT 1985**
Source Documents:
- Working papers in Financial Services

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## CALL CENTRE

Provides the first point of contact for the public (telephone and email) for a growing number of services (e.g. elections, refuse collection, planning, housing and land charges). The call centre is able to deal directly with the majority of questions.

| | |
|---|---:|
| **Number of staff full time equivalent** | **16.5** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---:|
| Pay | 439 |
| Training | 6 |
| Travel | 1 |
| Office Rent & Service Charges | 41 |
| IT Line Rental | 23 |
| IT Services | 107 |
| Telephone Charges | 14 |
| Other General Office Costs | 10 |
| **Total Controllable Cost** | **641** |
| Income | 0 |
| **Controllable Cost Less External Funding** | **641** |

**Factors that may affect the timing of review**
Since opening in 2005 it has achieved customer service excellence recognition.
**Already under review** - a report will be considered by Overview and Scrutiny (Economic Well Being) in January 2012 concerning the location of the Call Centre.

## CUSTOMER SERVICE CENTRES

Provide an accessible facility for all customers who need to visit the Council rather than use other channels of communication.  The offices are currently located in Huntingdon, St Neots, Ramsey and Yaxley.

Deal with all face to face enquiries from members of the public on behalf of the Council or refer them to the correct departments or external agencies for them to provide the necessary answers.  (approximately 43,000 visitors in 2010/11)

Provide a reception function to all departments.

Process receipts and payments from the bank statements to ensure they are recorded correctly in the Councils accounts (77,000 transactions per annum).

| **Number of staff full time equivalent** | **20.0** |
|---|---|

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---|
| Pay | 525 |
| Training | 7 |
| Travel | 3 |
| Clothing & Uniforms | 4 |
| Office Rent & Service Charges** | 39 |
| NNDR | 6 |
| Software | 9 |
| Benchmarking (Quality Control) | 3 |
| Other | (5) |
| **Total Controllable Cost** | **591** |
| Income | 0 |
| **Controllable Cost Less External Funding** | **591** |

** External payments – not the cost of our own office space.

**Factors that may affect the timing of review**
The service has achieved customer service excellence recognition.
 **Recently reviewed as part of MTP savings** and there has already
 been discussion at Overview and Scrutiny (Economic Well Being)

**INCOME SECTION**

Assist departmental staff to raise invoices for charges due to the Council. Carry out cancellation and write-off adjustments as requested by the department, and ensure correct allocation of customer payments.

Monitor customer accounts for receipt of payments. Take action to pursue and obtain payment, including communicating with customers, referring debts for legal/collection agent action and liaise with the department as necessary.

Provide customer account information, reports and copy invoices upon request.

**Number of staff full time equivalent**                                          **4.9**

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---|
| Pay | 157 |
| Training | 1 |
| Travel | 0 |
| Bailiffs | 2 |
| Other | 4 |
| **Total Controllable Cost** | **164** |
| Income | |
| **Controllable Cost Less External Funding** | **164** |

**Factors that may affect the timing of review**
**Review about to commence.**

## PROCUREMENT

Identify opportunities and help deliver cash savings; support to complex / high risk projects; training of staff and documentation to ensure efficient and effective process and compliance with EU directives and UK law. Maintenance of the e-marketplace and support to East Cambridgeshire District Council on a cost recovery basis.

| | |
|---|---|
| **Number of staff full time equivalent** | **1.0** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---|
| Pay | 58 |
| Training | 0 |
| Travel | 0 |
| Other | 1 |
| **Total Controllable Cost** | **59** |
| Income | 7 |
| **Controllable Cost Less External Funding** | **52** |

**Factors that may affect the timing of review**
Some administrative support for these functions is provided by the internal audit section (0.4 FTE).

**One person service so lower priority for review**

**INTERNAL AUDIT, RISK MANAGEMENT & INSURANCE**

Internal audit is a statutory service (see Accounts & Audit Regulations 2011 and S151 of the Local Government Act 1972). It reports to Members via the Corporate Governance Panel.

Each year it prepares an audit plan that lists the main areas of work for the next 12 months. The plan takes account of both financial and non-financial areas, new initiatives and the key risks identified by managers. Each piece of work results in a written report, which includes an opinion on how well the controls in the area are working and suggests areas for improvement.

In Sept each year, the Internal Audit Manager writes to the Corp Gov Panel and gives an opinion on the Council's control environment, which is based on reports issued in the year, improvements made to systems during the year, findings from fraud, whistle-blowing or similar concerns etc. This report is an important source of evidence for the annual governance statement.

Advice and training on the management of risk is provided to managers.

Working with managers, decide upon insurance covers, claims received and possible mitigation and ensure insurance cover is in place.

Provide administrative support (0.8 FTE) to the procurement and accountancy functions.

| | |
|---|---:|
| **Number of staff full time equivalent** | **5.3** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---:|
| Pay | 242 |
| Training | 7 |
| Travel | 2 |
| Computer Audit Consultants | 24 |
| Other | 2 |
| **Total Controllable Cost** | **277** |
| Income | 0 |
| | |
| **Controllable Cost Less External Funding** | **277** |

**Factors that may affect the timing of review**
Establishment reduced by 1 FTE in Feb 2010 (auditor retired) and 0.5 FTE in August 2010 (when auditor returned from maternity leave).

Insurance renewals in July 2011 generated cash savings (for each of the next 3 years of more than £100k per year).

**Recently reviewed as part of MTP savings and the service's work is regularly considered by Corporate Governance Panel.**

**ACCOUNTANCY**

Assist services in preparing the annual budget and provide financial advice and support to ensure budgets are not exceeded and that under-spends are forecast to facilitate long term financial planning.

Prepare the Council's annual statement of accounts and respond to external audit queries.
Maintain the integrity of financial management system.  Provide VAT advice, manage the payment of creditors. Ensure compliance with the Construction Industry Tax legislation.
Provide cash-flow forecasts and arrange external investments and borrowing when required. Reconcile financial transactions to bank statement.  Ensure compliance with current accounting standards.

| | |
|---|---:|
| **Number of staff full time equivalent** | **13.0** |
| | |
| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
| Pay | 548 |
| Training | 7 |
| Travel | 1 |
| Books & Publications | 6 |
| Other | 11 |
| **Total Controllable Cost** | **573** |
| Income | 0 |
| **Controllable Cost Less External Funding** | **573** |

**Factors that may affect the timing of review**
Voluntary redundancy scheme has reduced FTE's by 1.  A reorganisation of the section has recently been implemented to cover the duties previously carried out by this officer. Section also under significant pressure due to the |Council's financial situation.
Some administrative support for these functions is provided by the internal audit section (0.4 FTE).

**Current workload due to Council's financial situation and reduction of a key post would suggest that review be deferred for the time being.**

## DOCUMENT CENTRE

Production and procurement of printed matter.
Securing value for money by management of the print and design framework
Printed cheque production and management of process
Artwork and design
Printing and preparation of bulk despatches
Provision of multifunctional devices for local printing, scanning and copying.
Receipt, sorting, scanning and distribution of post inwards.
Post outwards including collection, printing, inserting and sorting.
Courier service.
Securing value for money postal services (budget held by individual services).

| | |
|---|---|
| **Number of staff full time equivalent** | **12.4** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---|
| Pay | 361 |
| Courier Vehicle | 7 |
| Equipment Maintenance | 145 |
| Paper & Other Materials | 46 |
| Subcontracted Work | 57 |
| Copyright Licence | 3 |
| **Total Controllable Cost** | **619** |
| Sale or Print to Other Organisations | (13) |
| **Controllable Cost Less External Funding** | **606** |

**Factors that may affect the timing of review**
None

**HUMAN RESOURCES**

Personnel management: policy, advice, maternity/paternity leave, employee records, redundancy, disciplinary action, handling of grievances and changes in employment conditions.
Recruitment and retention.
Occupational health.
Management development.
Learning and development
Job Evaluations
Provision of organisational statistics (sickness, starters/leavers etc)

| | |
|---|---|
| **Number of staff full time equivalent** | **6.0** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---|
| Pay | 262 |
| Training | 85 |
| Insurance - Death In Service | 26 |
| Recruitment & Retention | 25 |
| Medical Fees / Occupational Health | 23 |
| HR/Payroll System (part) | 12 |
| Sundry: printing, subscriptions, consultants, etc. | 14 |
| **Total Controllable Cost** | **447** |

**Factors that may affect the timing of review**
**Currently under review**
Budget is before deduction of part of Central Services saving.
Redundancies have increased the pressure on HR staff (increased workload) and so it is unlikely that time could be set aside to assist any further review of this service in the short term.

**PAYROLL**

Payment of staff and members pay, allowances and expenses via monthly payrolls.
Accounting for deductions and making returns to tax, pensions and other bodies.
Maintaining systems and controls to ensure correct payment and reconciling the payroll system outputs to the bank account entries.
Recharging external customers for their payroll processing.
Administer the car loan/lease schemes.
Maintenance and development of on-line expenses claim forms.

| Number of staff full time equivalent | 3.5 |
|---|---|

| Controllable Expenditure (Original Budget 2011/12) | £000s |
|---|---|
| Pay | 126 |
| HR/Payroll system (part) | 13 |
| Printing | 3 |
| **Total Controllable Cost** | **142** |

**Factors that may affect the timing of review**
**Currently under review.**

**LEGAL SERVICES**

Provision of legal advice.
Conveyancing and contracts.
Estates management staff costs (not running cost of estates).
Legal support to Freedom of Information, Data Protection and RIPA.
Associated administrative support
Performs the Statutory Monitoring Officer role

| | |
|---|---|
| **Number of staff full time equivalent** | **9.5** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---|
| Pay | 423 |
| Training and professional subscriptions | 9 |
| Travel | 12 |
| Case system and other ICT | 14 |
| Books and Publications | 32 |
| Legal Fees | 28 |
| Sundry: printing, postage, stationery etc | 8 |
| **Total Controllable Cost** | **526** |
| Costs Recovered | (77) |
| **Controllable Cost Less External Funding** | **449** |

Service has since been amalgamated with Central and Democratic Services.
Budget is before deduction of part of Central Services saving.
**Options for service delivery of Estates service under review by management.**

**FACILITIES MANAGEMENT**

Provision of managed office space (EFH and PFH Sites) and catering.

| | |
|---|---|
| **Number of staff full time equivalent** | **9.1** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---|
| Pay | 322 |
| Equipment | 1 |
| Catering Contract | 38 |
| Energy | 229 |
| Rates | 299 |
| Water | 12 |
| Cleaning | 58 |
| Repairs & Maintenance | 176 |
| Equipment | 5 |
| Waste | 5 |
| Services | 5 |
| Other | 15 |
| **Total Controllable Cost** | **1,165** |
| Room Hire | (2) |
| **Controllable Cost Less External Funding** | **1,163** |

**Factors that may affect the timing of review**
None

## DEMOCRATIC SERVICES

Service Committees and Panels.
Member support (including IT) and development.
Administration of Member allowances and expenses.
Monitor and review Constitution.
Code of Conduct/ethical standards/advice to Parish Councils.
Council complaints.
Scrutiny and Review.
Promote local democracy.

| | |
|---|---:|
| **Number of staff full time equivalent** | **6.2** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---:|
| Pay | 264 |
| Training | 3 |
| Travel | 2 |
| Other office costs | 10 |
| *Member expense & other support (including ICT, travel & training)* | *56* |
| Other Committee support costs (including print, postage, & committee system) | 47 |
| **Total Controllable Cost** | **382** |

**Factors that may affect the timing of review**
The outcome of the Localism Bill and final assessment of its impact on Democratic Services is awaited.
Neighbourhood Forums are under review.

**IMD**

All IMD sections work together so any review would best cover the whole function rather than individual elements

The table below gives the overall values and is followed by explanation for each section within IMD.

| | |
|---|---:|
| **Number of staff full time equivalent** | **33.8** |
| | |
| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
| Pay | 1,519 |
| All other costs | 598 |
| **Total Controllable Cost** | **2,117** |
| Income | 11 |
| **Net Controllable Costs** | **2,106** |

**IMD MANAGEMENT UNIT**

Head of Service.
Administrative support to whole of IMD
Ordering & Payment for Council's purchase of all ICT related equipment, software & services covering IT and telephony services invoices: hardware software and telephony.
Project support e.g. project health checks, research
Corporate ICT training.
Corporate Business Continuity Coordination
Corporate Shared Service Development Advice & Support
Shared ICT service development

| | |
|---|---:|
| **Number of staff full time equivalent** | **4.0** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---:|
| Pay | 179 |
| Training including corporate ICT training | 5 |
| Travel | 7 |
| Office costs | 2 |
| **Total Controllable Cost** | **193** |

**Factors that may affect the timing of review**

**IMD NETWORK SERVICES**

Operation, maintenance and security of voice and data network across 13 offices within the district

Operation and maintenance of Voice and data lines between the council's offices and sites.

Maintenance and replacement of the server environment - e.g. servers, routers and switches

Management of corporate databases (e.g. Revs & Bens, Planning, Finance, Building Control and Licensing)

Operation & maintenance of 2 data centres (at Pathfinder House and Eastfield House)

Security Management - ensure that the ICT environment is secure and protected from malicious activity, abuse and unnecessary risks by minimising the impact of viruses, hackers and other security breaches.

Managing infrastructure facilities such as asset management, anti-virus capability, system configuration, deployment and maintenance services.

| | |
|---|---:|
| **Number of staff full time equivalent** | **5.0** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---:|
| Pay | 211 |
| Training, Travel, Office Costs | 8 |
| Data lines | 132 |
| Telephony | 54 |
| Equipment | 184 |
| Software | 45 |
| **Total Controllable Cost** | **634** |

**Factors that may affect the timing of review**

The network is in the process of being converted to virtualised servers which will lead to savings identified in the MTP.

Service rationalisation has seen staff FTEs reduce from 5 to 4 since the start of the year

**IMD HELPDESK**

Provision of a proactive ICT Service Desk facility

Network account maintenance and system administration work, such as creating new network accounts and restoring data

Maintenance and replacement of the desktop environment - e.g. computers, peripherals and software

Disposal of all IT equipment

Provision of desktop operating system and software - MicroSoft Windows and Office and corporate applications such as Uniform, Efinancials and MRM etc.

Provision of IT for Member Support

Security Management - ensure that the ICT environment is secure and protected from malicious activity, abuse and unnecessary risks by minimising the impact of viruses, hackers and other security breaches.

Telephony services  - all telephony services including corporate digital phone system ( including number changes, pickup groups and call reporting) mobiles and BlackBerry devices

| | |
|---|---:|
| **Number of staff full time equivalent** | **7.0** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---:|
| Pay | 290 |
| Training, Travel, Office Costs | 8 |
| Software | 72 |
| Other ICT equipment and services | 9 |
| **Total Controllable Cost** | **379** |
| Disposal of equipment | (1) |
| **Controllable Cost Less External Funding** | **378** |

**Factors that may affect the timing of review**

Desktop computers are due to be virtualised which will lead to savings identified in the MTP.

Service rationalisation has seen staff FTEs reduce from 7 to 5.8 since the start of the year

**IMD CORPORATE SYSTEMS**

Manage the Council's response to the Freedom of Information Act - we receive over 600 requests each year

Manage and support GIS (Geographical Information System) - used by hundreds of Officers across the Council

Manage and support the LLPG - the Council's award winning corporate address database that is linked to over 25 other systems at the Council

Manage and support Information@Work - the Council's corporate electronic document management system which is used by hundreds of Officers across many services (Revs & Bens, Housing, Env Health etc)

Manage and support Uniform - used by c.200 Officers across many services - including Planning, Land Charges, Licensing, Building Control etc

Sold services to another Council, and have an ongoing support contract to generate more income

| | |
|---|---:|
| **Number of staff full time equivalent** | **5.0** |
| | |
| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
| Pay | 203 |
| Training, Travel, Office Costs | 7 |
| Software | 32 |
| **Total Controllable Cost** | **242** |

**Factors that may affect the timing of review**
None

**IMD WEB AND BUSINESS SYSTEMS**

Responsible for the management of the Council's Website - used by 2000+ customers every day, with the best customer satisfaction result of all District Councils in an independent 2010 survey of 400+ other Councils

Deliver and support integration between Council systems, for example financial interfaces, that remove the need for Officers to key in data

Support and develop the Council's Intranet, used by all services

Build and support IT systems, such as room bookings, that replace more expensive systems we may have purchased in the past. Have also sold these systems to other Councils

| | |
|---|---|
| **Number of staff full time equivalent** | **6.0** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---|
| Pay | 231 |
| Training, Travel, Office Costs | 6 |
| Website and intranet software | 20 |
| **Total Controllable Cost** | **257** |

**Factors that may affect the timing of review**

Budget includes 1.0 full time equivalent staff funded from capital, external work and budget from HDC services

**IMD BUSINESS ANALYSIS AND PROJECT MANAGEMENT**

Manage projects dealing with all aspects - project start-up, specification, procurement, contracts, project delivery and hand over to business as usual

Help make services more efficient and effective by providing business analysis skills

Manage the delivery of the complex set of projects from across the Council, ensuring dependencies between work are dealt with, projects are added to the workload at the right time and we make the best use of our resources

Sell 'consultancy' services to other Councils generating income

| | |
|---|---|
| **Number of staff full time equivalent** | **6.8** |

| **Controllable Expenditure (Original Budget 2011/12)** | **£000s** |
|---|---|
| Pay | 405 |
| Training, Travel, Office Costs | 7 |
| **Total Controllable Cost** | **412** |
| Work and supplies to other organisations | (10) |
| **Controllable Cost Less External Funding** | **402** |

**Factors that may affect the timing of review**

Budget includes 4.8 full time equivalent staff funded from capital and external work.