



Confident Capable Council Scrutiny Panel

5 September 2013

Time 18.00pm **Public meeting?** YES **Type of meeting** Scrutiny

Venue Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

Room Committee Room 3, 3rd floor

Membership

Chair Cllr Rita Potter (Lab)
Vice-chair Cllr Mrs Wendy Thompson (Con)

Labour
Alan Bolshaw
Craig Collingswood
Jasbinder Kaur Dehar
Milkinder Jaspal
Jasbir Jaspal
Zahid Hussain Shah
Jacqueline Sweetman
Martin Waite

Conservative
Christopher Haynes
Paul Singh

Liberal Democrat

Information for the Public

If you have any queries about this meeting, please contact the scrutiny team:

Contact Deb Breedon
Tel 01902 551250
Email Deborah.breedon@wolverhampton.gov.uk
Address Scrutiny Team, Civic Centre, 2nd floor, St Peter's Square, Wolverhampton WV1 1RL

Copies of other agendas and reports are available from:

Website <http://wolverhampton.cmis.uk.com/decisionmaking>
Email democratic.support@wolverhampton.gov.uk
Tel 01902 555043

Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

Item No. *Title*

MEETING BUSINESS ITEMS

1. **Apologies for absence**
2. **Declarations of interest**
3. **Minutes of the previous meeting (18 July 2013)**
[For approval.]
4. **Matters arising**
[To consider any matters arising from the minutes]
5. **Scrutiny Panel Work programme 2013/14**
[Report discussing suggested topics for inclusion in the annual scrutiny panel work programme]

DISCUSSION ITEMS

6. **Budget and financial matters**
[Update report on Medium Term Financial Strategy and brief update of the spending review]
7. **FutureWorks Programme – Progress Update**
[Pre-decision Scrutiny]

EXCLUSION OF PRESS AND PUBLIC

8. **Exclusion of press and public**
[To pass the following resolution:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information on the grounds shown below.]

Part 2 – exempt items, closed to the press and public

<i>Item No.</i>	<i>Title</i>	<i>Grounds for exemption</i>	<i>Applicable paragraph</i>
9.	Creating a Council temporary staffing agency [Pre-decision scrutiny]	Information relating to the financial or business affairs of any particular person (including the authority holding that information	3

Attendance

Members of the Panel

Cllr Rita Potter (chair)
 Cllr Alan Bolshaw
 Cllr Craig Collingswood
 Cllr Jasbinder Kaur Dehar
 Cllr Zahid Hussain Shah
 Cllr Paul Singh
 Cllr Mrs Wendy Thompson
 Cllr Martin Waite

Other Councillors

None

Staff

Fiona Davis	Head of Service (Regulatory and Governance)
Mark Taylor	Assistant Director – Finance
David Kane	Head of Finance (Delivery)
Janet Lowe	Human Resources Manager (Delivery)
Pat Main	Assistant Director and Business Change (Delivery)
Charlotte Johns	Head of Policy (Office of the Chief Executive)
Earl Piggott-Smith	Scrutiny Officer (Office of the Chief Executive)

Part 1 – items open to the press and public

<i>Item No.</i>	<i>Title</i>	<i>Action</i>
-----------------	--------------	---------------

MEETING BUSINESS ITEMS

- Apologies**
 Apologies for absence were received from Cllr Christopher Haynes, Cllr Jacqueline Sweetman, Cllr Milkinder Jaspal and Cllr Jasbir Jaspal
- Declarations of interest**
 There were no declarations of interest received.
- Minutes of the previous meeting (20 June 2013)**
 Resolved:
 That the minutes of the meeting held on 20 June 2013 be approved as a correct record and signed by the Chair.

4. **Matters arising**
The minutes of the meeting held on 20 June 2013 to be amended to record Cllr Zahid Hussain Shah as giving his apologies. Deborah Breedon

5. **Scrutiny Panel Work Programme 2013/14**
Earl Piggott-Smith briefed the Panel on the future list of agenda items as detailed in Appendix 1 of the report. Cllr Waite asked that report on the options for the rationalisation of Council owned property is added to the work programme.

Resolved:

That the report be noted. That a report on the rationalisation of Council owned property be added to the 2013/14 work programme. Deborah Breedon

DISCUSSION ITEMS (Green)

6. **Budget and financial matters**
David Kane presented a report outlining the plans for budget setting and consultation for 2014/15 and future years. David Kane also briefed the Panel on the implications for the Council of Spending Review 2015/16 announced by the Chancellor on 26 June 2013.

David Kane recommended the re-establishment of a working group to review earmarked reserves. David Kane commented that the Council is awaiting more detailed information from Government about the impact of the planned 10 per cent cut in local government budgets for Wolverhampton. Cllr Thompson queried the amount of total school reserves and if they are ring fenced. David Kane confirmed that the reserves are £17.6 m and that the monies are delegated to schools.

Resolved:

That the report be received and that the earmarked reserves working group be re-established during 2013/14 with the previous members being invited. Deborah Breedon

7. **FutureWorks Programme – Progress Update and Final Business Case**
Pat Main presented a detailed update report on the FutureWorks programme, the final business case and the progress made since the contract was awarded to Agilisys in April 2013. Pat Main set out the benefits to the Council of introducing new technology and working practices needed to deliver the objectives set out in the Council's Corporate Plan.

Cllr Bolshaw queried the work being done to consult with school about the plans. Pat Main explained that the Council has put in place mechanisms to ensure good communication links with schools. Pat Main reported that there was an acknowledgement

that the Council provides a service to schools, and they are free to buy services provided by Council elsewhere. Cllr Mrs Thompson commented on complaints from schools about Council delays in getting errors in payroll details corrected and was important not to be complacent. Cllr Waite queried if a functional specification document had been produced. Pat Main reported that the new Agresso system provided by Agilisys is already in use in 100+ local authorities and that Agilisys's approach is based on a standard local authority template for the system that has been road tested with other clients.

Pat Main reported that a lot of work was done during the due diligence process to check that the new system and processes will deliver the required service improvements. In addition, some payments to Agilisys are linked to the successful achievement of contract milestones.

Pat Main reported that Agilisys will be providing system support during the initial implementation period only, and that there are plans in place for knowledge transfer to ICTS by the end of 2014.

Cllr Waite queried the length of the software licence. Pat Main reported that there is a five year licence with an option to extend. Cllr Waite queried the level of staff understanding of the reasons for reasons behind the 80 redundancies.

Pat Main reported that the detailed work had begun to explain the planned changes to staff and the new working arrangements.

Cllr Potter queried the provision of training to staff. Pat Main explained that the proposed new structure will be reported in September, in addition to plans for supporting and managing the change process. Pat Main explained that work is now underway to identify who needs to be trained; this will be reported back in September 2013.

Cllr Singh queried the experience of other local authorities who have used the system and the lessons learnt. Pat Main explained that Agilisys and the Agresso system had been given excellent references from people in authorities visited to date.

Cllr Waite commented on the importance of staff feedback and the value of early engagement. Pat Main stated that there are dedicated business change managers working across the Council to support the process.

Resolved:

That the report be received.

8. **Information Requests and Complaints**

Charlotte Johns presented a report to brief the Panel on the changes in working arrangements and the progress made in

dealing with complaints and requests for information. Charlotte Johns outlined improved performance in between the period 2012-13 and 2013-14 for dealing with Freedom of Information (FOI) requests as a result of changes made. The current compliance rate for dealing with FOI requests was reported as 85.3% (Quarter 1 2013/14).

Charlotte Johns presented an analysis of complaints received and the action taken. Future reports to the Panel will include more detailed information.

Resolved:

That the report be received. The Panel welcomed the report and agreed to receive future quarterly reports on FOI requests and complaints with a breakdown of results against Directorates for comparison.

Charlotte
Johns

INFORMATION ITEMS

9. **Staff Turnover 2012-13**

Janet Lowe presented a report giving an update of labour turnover across the Council, comparing the results of 2011/12 with 2012/13. Cllr Waite commented that staff turnover figure while providing a useful barometer of the health of the organisation, did not measure the impact of organisational changes and reasons for staff leaving the organisation. Janet Lowe explained that the new HR system will include a section to record the reasons for staff leaving to give more useful information. The information will be included in future reports.

Resolved:

That the report be received.

EXCLUSION OF PRESS AND PUBLIC

10. **Exclusion of press and public**

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) of business as they involve the likely disclosure of exempt information falling within the paragraphs of Schedule 12A of the Act set out below:

<i>Item No.</i>	<i>Title</i>	<i>Applicable paragraph</i>
	Equal Pay Claims	4

Part 2 – exempt items, closed to the press and public

11. Equal Pay Claims

Fiona Davis presented a reported on progress made in the settlement of equal pay claims relating to ex-employees and current employees, and the implications of Supreme Court judgement in the case Birmingham City Council v Abdulla. The Panel were informed of current settlement negotiations with solicitors representing claimants.

Resolved:

That the report be received.



Confident Capable Council Scrutiny Panel

5 September 2013

Report Title	Work Programme 2013-14	
Classification	For general release	
Cabinet Member with Lead Responsibility	Councillor Paul Sweet Governance and Performance	
Wards Affected	All	
Accountable Strategic Director	Keith Ireland, Delivery	
Originating service	Office of the Chief Executive	
Accountable officer(s)	Deb Breedon Tel Email	Scrutiny Officer 01902 55(1250) deborah.breedon@wolverhampton.gov.uk

Recommendation(s) for action or decision:

The Panel is recommended to:

1. Review and develop the Confident Capable Council Work Programme 2013-14.
2. To agree an additional meeting date Thursday 10 October 2013 at 18:00 HRS.

1.0 Purpose

- 1.1 This report seeks to review the work programme for the Confident Capable Council Scrutiny Panel for 2013-14 taking into consideration whether issues are relevant and timely for inclusion on the next agenda and to consider other emerging issues for inclusion in the work programme for 2013-14.
- 1.2 The report also monitors outstanding minutes (paragraph 3.2) and identifies the issues for pre-decision scrutiny and overview by this panel as set out in the Leaders forward plan (paragraph 3.3).

2.0 Background

- 2.1 The remit of the C3 panel was agreed by Annual Council 15 May 2013; an extract setting out the remit for this Panel is attached at appendix 2.
- 2.2 The [Delivery Directorate Service Plan](#) was considered by Performance Governance and Support Services Scrutiny Panel, 9 May 2013. The business plan sets out all the overall direction and priorities for the Directorate and how it sits with the Council's corporate priorities.

3.0 Work Programme Planning

- 3.1 The work programme (Appendix 1) is a working document which is reviewed at each panel meeting to determine the timeliness and relevance of items for scrutiny.
- 3.2 Outstanding minutes are shown in the table below:

Subject	Date of meeting	Decision	Comments
FuturePerformance working group	20.06.13	That the FuturePerformance working group be established to consider performance monitoring with membership as follows: Cllr Craig Collingswood Cllr Milkinder Jaspal Cllr Mrs Wendy Thompson Cllr Martin Waite	To be arranged October /November
Civic Centre Work Group	18.07.13	Working group to re-established.	Working group to be programmed
Quarterly reporting: 1. FOI requests 2. Complaints	19.07.13	Quarterly reports: include a breakdown of results against directorates for comparison	To be programmed

- 3.3 The leader's forward plan for period [1 August - 30 November 2013](#) identifies the following issues for pre-decision scrutiny and overview by this panel:
- 2014/2015 Draft Budget Strategy and Medium Term Financial Strategy
 - FutureSpaces – Tender Outcome development and review of the final business case
 - Implementation of the Human Resources Improvement Programme
 - Implementation of Single Status Agreement
 - Quarter 2 Capital Budget Monitoring
 - Quarter 2 Revenue Budget Monitoring
 - Quarter 2 Treasury Management Activity Monitoring
- 3.4 The Panel will retain flexibility to consider issues as they arise, changes to the work programme will be brought to the attention of the Chair and Vice-Chair at each agenda meeting and all councillors will consider the work programme at the panel meetings.

4.0 Schedule of Meetings

- 4.1 Remaining scheduled C3 scrutiny panel meetings for the 2013-14 municipal year:
- 21 November 2013
 - 23 January 2014
 - 6 March 2014
 - 17 April 2014
- 4.2 With the agreement of the Chair and Vice-Chair an additional meeting date has been identified for Thursday 10 October 2013 at 18:00 HRS in committee room 3. The additional meeting is required to ensure scrutiny of all the items agreed in the 2013-14 work programme.

5.0 Financial implications

- 5.1 Within the Office of the Chief Executive, there is a scrutiny budget to support the investigation of issues highlighted by councillors through the work programmes of the panels and the reviews and inquiries.
[CN/16082013/M]

6.0 Legal implications

- 6.1 There are no direct legal implications arising from this report.
[FD/13082013/J]

7.0 Equalities implications

- 7.1 There are no direct Equalities implications arising from this report, however, Councillors are asked to consider equalities, especially when identifying who to consult and who to call to give evidence. The [Equality shared service](#) pages of the Council intranet provide specific advice in this area.

8.0 Schedule of background papers

- 8.1 11 April 2013: Performance Governance and Support Services Panel – Schedule of Outstanding Minutes.
- 11 April 2013: Performance Governance and Support Services Panel – Minutes
- 9 May 2013: Performance Governance and Support Services Panel – Minutes
- 20 June 2013: Confident Capable Council Panel – Minutes
- 18 July 2013: Confident Capable Council Panel – Minutes

Appendix 1: Draft Work programme 2012/13

20 June 2013	<ul style="list-style-type: none"> • <i>Confident, Capable Council (C3) Work programme 2013-14</i>
18 July 2013	<ul style="list-style-type: none"> • <i>Budget and financial matters</i> • <i>Information requests and complaints – 2012 outturn position</i> • <i>Staff Turnover 2012-13 (Minute 105 -12 April 2012)</i> • <i>Young people and graduate apprenticeships – progress report</i> • <i>Equal Pay</i> • <i>Options for appraisal for future use of Parkfields Site as office accommodation</i> • <i>FutureWorks programme</i>
5 September 2013	<ul style="list-style-type: none"> • Budget and financial matters • FutureWork programme • Creating a Council temporary staffing agency
October	Ear Marked Reserves working group - to be arranged.
10 October 2013	<p>Additional meeting of Confident Capable Council Scrutiny Panel. To consider:</p> <ul style="list-style-type: none"> • Resilience (emergency planning and business continuity) • Leadership – Health and Safety Duties and Responsibilities • HR Quarterly update report • The staff volunteering strategy • Talent Link • Corporate Landlord • Single Status – Update report • Delivery Directorate Restructure
October / November	Civic Centre working group - to be arranged.
October / November	FuturePerformance working group - to be arranged.
21 November 2013	<ul style="list-style-type: none"> • Budget and financial matters • Health and safety status report – November (annual) • Future works • Consultation Principles • FutureMoney Reserves Review – Feedback • Progress Update – Implementation of Customer Services Strategy. To consider whether the aims and objectives of the strategy had been achieved.
23 January 2014	<ul style="list-style-type: none"> • Performance Measure Quarter 2 2013-14 • HR Quarterly update report • Budget and financial matters • Future works

	<ul style="list-style-type: none"> • Update on the work of the Member Champion and on the implementation of the Equalities Implementation Plan (Minute 11.04.13)
6 March 2014	<ul style="list-style-type: none"> • Budget and financial matters • Regular updates on financial matters
17 April 2014	<ul style="list-style-type: none"> • Budget and financial matters • Performance Measure Quarter 3 2013-14 • HR Quarterly update report • Future works

Appendix 2

D: CONFIDENT, CAPABLE COUNCIL SCRUTINY PANEL

(i) Responsibilities

Within approved Council policy and in accordance with the overall aims and objectives of the Council, the Scrutiny Panel shall consider and determine all matters which fall within the following terms of reference:-

- a) to be responsible for the overview and scrutiny of the organisation and performance of financial, human, technical and material resources to support the delivery of Council services;
- b) to assist the Council and the Cabinet in the development of its budget and policy framework by in-depth analysis of policy issues and by liaison and discussion with the Cabinet;
- c) to conduct research, community and other consultation in the analysis of policy issues and possible options;
- d) to consider and implement mechanisms to encourage and enhance community participation in the development of policy options;
- e) to question Cabinet Members and/or Council employees about their views on issues and proposals affecting the area;
- f) to liaise with individuals and external organisations operating in the area, whether national, regional or local, to ensure that the interests of the citizens of Wolverhampton are enhanced by collaborative working;
- g) to review and scrutinise the decisions made by and performance of the Cabinet and Council employees both in relation to individual decisions and over time;
- h) to review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas and to receive and consider other reports received from external auditors and external regulatory Inspectors and to work with the Cabinet to respond to recommendations from reviews and inspections;
- i) to undertake reviews of the Councillors Call for Action where referred by the Petitions Committee;
- j) to question Cabinet Members and/or Council employees about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects;
- k) to make recommendations to the Cabinet and/or appropriate Regulatory or other Committee and/or Council arising from the outcome of the scrutiny process;
- l) to review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the Panel and local people about their activities and performance;
- m) to consider call-ins related to their area of responsibility;
- n) to question and gather evidence from any person (with their consent);
- o) to deal with any other matter which is by law required to be dealt with by an “overview and scrutiny committee”.

(ii) Policy areas include:

Business Transformation
Finance and Budget Consultation
ICT
Human Resources and Organisational Development
Democracy and Governance
Policy and Performance
Communications
Emergency Planning

(iii) Related policy framework plans and strategies

Human Resources Policies
Customer Service Strategy
Equal Opportunities Policy Statement
Information, Communication and Technology Security Policy
Corporate Procurement Strategy
Annual Investment Strategy
Treasury Management Strategy
Equality Action Plan

(iv) Principal related Cabinet Member

Cabinet Member for Governance and Performance

(v) Lead Corporate Officer

Strategic Director Delivery



Confident Capable Council Scrutiny Panel

5 September 2013

Report Title	Budget Update and Review	
Classification	Public	
Cabinet Member with Lead Responsibility	Councillor Andrew Johnson Resources	
Wards Affected	All	
Accountable Strategic Director	Keith Ireland, Strategic Director Delivery	
Originating service	Delivery	
Accountable officer(s)	Mark Taylor	Assistant Director Finance
	Tel	01902 55(6609)
	Email	mark.taylor@wolverhampton.gov.uk

Recommendation(s) for action or decision:

The Panel is recommended to:

1. Consider the arrangements for:
 - Ensuring adequate identification and management of budget risks;
 - Budget planning and forecasting for future years.

1.0 Purpose

- 1.1 To bring to the Panel's attention information about the council's finances that has recently been reported to the Cabinet and Cabinet (Resources) Panel, including:

Reports relating to the 2012/13 Outturn

- The outturn position for 2012/13 against capital budgets;
- The outturn position for 2012/13 against revenue budgets;
- The council's treasury management activities during 2012/13.

Reports relating to Monitoring of the 2013/14 Budgets

- The forecast outturn position for 2013/14 against capital budgets as at quarter one, and the forecasts for 2014/15 to 2017/18;
- The forecast outturn position for 2013/14 against revenue budgets as at quarter one;
- The council's treasury management activities during the first quarter of 2013/14 and the forecasts for the remainder of the year.

Reports relating to the Medium Term Financial Strategy

- The council's forecast General Fund budget and savings requirements for 2014/15 and beyond.

Reports relating to the Council's Housing Revenue Account (HRA) Business Plan

- The council's HRA outturn position for 2012/13 against revenue and capital budgets;
- The council's HRA forecast outturn position for 2013/14 against revenue budgets;
- The council's HRA Business Plan, including the capital programme for 2013/14 – 2017/18.

2.0 Background

- 2.1 As set out in Scrutiny Panel's work plan, the Panel will receive regular updates on the budget and medium term financial strategy throughout the year. This is the second report of this nature for 2013/14.

- 2.2 Reports focussing on the council's finances have been received by Cabinet and Cabinet (Resources) Panel as set out below:

Cabinet (Resources) Panel, 26 June 2013

- Capital Budget Outturn 2012/13 including Quarter One Capital Budget Monitoring 2013/14;
- Housing Revenue Account Business Plan Update Quarter One 2013/14.

Cabinet (Resources) Panel, 23 July 2013

- Quarter One Revenue Budget Monitoring 2013/14.

Cabinet, 24 July 2013

- Annual Treasury Report 2012/13 & Treasury Management Activity Monitoring – Quarter One 2013/14;
- Revenue Budget Outturn 2012/13;
- Reserves, Provisions & Balances 2012/13;
- Draft Budget Strategy 2014/15 and Medium Term Financial Strategy.

***In order to minimise printing costs the Panel Chair has agreed that full versions of the reports will not be circulated again - however it is recommended that Panel members review the reports ahead of the meeting, and are requested to please bring the full versions that were circulated with the relevant Cabinet agenda papers to this meeting.**

3.0 Capital Budget Outturn 2012/13 including Quarter One Capital Budget Monitoring 2013/14

3.1 The council's capital expenditure for 2012/13 totalled £119.5 million. The forecast spend for the current year, and the following four years is as follows:

- 2013/14: £176.7 million.
- 2014/15: £53.6 million.
- 2015/16: £28.0 million.
- 2016/17: £19.1 million.
- 2017/18: £3.1 million.

3.2 There are a number of significant risks associated with the medium-term capital programme. These are discussed in Appendix G of the report. The table below provides a summary of those risks.

Table 1 – Summary of Capital Programme Risks

Risk	Description	Level of Risk
Financial and Budget Management	Risks that might materialise as a result of ineffective budget management.	Amber
Income and Funding	Risks that might materialise as a result of a reduction in external funding, a failure to deliver the disposal programmes and claw back of grants funding.	Amber
Service Demands	Risks that might materialise as a result of demands for services leading to a requirement for capital investment.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy.	Amber

4.0 Housing Revenue Account Business Plan Update Quarter One 2013/14

4.1 The revenue outturn position for 2012/13 for the Housing Revenue Account was a surplus (before allocations to reserves and redemption of debt) of £8.8 million, compared

to a budgeted surplus of £5.5 million, whilst the total capital expenditure for the year was £41.4 million.

- 4.2 The forecast outturn against the 2013/14 revenue budget is a surplus before allocations of £11.0 million compared to a budgeted surplus of £11.4 million.
- 4.3 The Housing Revenue Account continues to be forecast to have sufficient resources to fund the £1.7 billion of capital works that will be required to its houses over the next 30 years, as well as meeting its management and maintenance obligations over the same period.
- 4.4 There are a number of risks associated with the Housing Revenue Account Business Plan Update. These are discussed in Appendix C of the report. The table below provides a summary of those risks.

Table 2 – Summary of Housing Revenue Account Business Plan Risks

Risk	Description	Level of Risk
Financial and Budget Management	Risks that might materialise as a result of ineffective budget management, the impact of non-pay inflation and pay awards, staff vacancy factors, the HRA borrowing cap, assumptions regarding the 30 year asset management plan, loss of ICT facilities and Treasury Management Activity.	Amber
Income and Funding	Risks that might materialise as a result of a reduction in income, higher than anticipated bad debts and lower than anticipate levels of capital funding.	Amber
Service Demands	Risks that might materialise as a result of increased demand for services.	Green
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy.	Amber

5.0 Quarter One Revenue Budget Monitoring 2013/14

- 5.1 The council's forecast outturn against revenue budgets for the year is net over spend of £5.0 million against the General Fund net budget requirement of £255.6 million.
- 5.2 Options to deliver additional one-off savings during 2013/14 need to be considered to address the projected over spend and reduce the call on the General Fund balance.
- 5.3 There are a number of significant risks associated with the revenue budget. These are discussed in Appendix G of the report. The table below provides a summary of those risks.

Table 3 – Summary of Revenue Budget Monitoring 2013/14 Risks

Risk	Description	Level of Risk
Financial and Budget Management	Risks that might materialise as a result of ineffective budget management, the impact of non-pay inflation and pay awards, staff vacancy factors, VAT rules, loss of ICTS facilities, treasury management activity and the impact of single status.	Amber
Transformation Programme	Risks that might materialise as a result of not identifying savings, not delivering the savings incorporated into the budget, insufficient sum set aside for the implementation of replacement mainframe system and the budget not being sufficient to procure and implement new IT mainframe systems.	Red
Income and Funding	Risks that might materialise as a result of income being below budgeted levels, clawback, reduction to government grant or increased levels of bad debts.	Amber
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources.	Red
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy including changes in VAT and personal taxation rules.	Amber

6.0 Annual Treasury Report 2012/13 & Treasury Management Activity Monitoring – Quarter One 2013/14

- 6.1 This report confirms that the council is continuing to operate within the Prudential and Other Indicators approved by the council, and also within the requirements set out in the council's approved Treasury Management Policy Statement.
- 6.2 Treasury management activities generated revenue savings of £3.3 million for the General Fund and £2.6 million for the Housing Revenue Account in 2012/13, whilst revenue savings of £592,000 for the General Fund and £2.7 million for the Housing Revenue Account are forecast from treasury management activities in 2013/14.

7.0 Revenue Budget Outturn 2012/13

7.1 The revenue outturn position for 2012/13 for the General Fund is a net over spend of £3.6 million.

7.2 Schools' balances reduced by £3.7 million during 2012/13.

8.0 Reserves, Provisions and Balances 2012/13

8.1 This report details the council's specific reserves, provisions and general balances as at 31 March 2013, and the movements during the year. Specific reserves decreased by £18.9 million to £44.1 million, while general balances decreased by £13.1 million to £38.0 million and provisions decreased by £3.4 million to £44.0 million.

8.2 Confident, Capable Council Scrutiny Panel will once again be undertaking a review of all reserves during 2013/14.

9.0 Draft Budget Strategy 2014/15 and Medium Term Financial Strategy

9.1 A number of budget and medium term financial strategy reports will be received by Cabinet (and this sub-committee) as the process of setting the 2014/15 budget progresses over the coming months, of which this report was the first.

9.2 This report provided an update to the Medium Term Financial Strategy approved on 26 February, incorporating changes to growth, funding assumptions, arising from the Spending Review announcement, and any other assumptions.

9.3 In summary, the financial outlook remains extremely challenging with the council required to find savings with a cumulative value of £86.0 million by 2018/19, with an initial focus on delivering £18.3 million by 2014/15. It is important to note that the projected budget deficit already assumes the successful delivery of savings amounting to £16.5 million over the five year period, many of which will be particularly challenging. The extent of this financial challenge extends way beyond anything that Wolverhampton has ever had to contend with in the past and the impact that the response to the challenge will have on services, employees and partners will undoubtedly be extremely significant.

9.4 Work is currently underway to develop savings and cuts proposals to address the council's forecast budget deficit over the medium term. These will be reported to Cabinet, and this committee, as the budget process continues to progress.

9.5 There are a number of significant budget risks included in the report. Overall the risk associated with the 2014/15 budget is assessed as Red. The budget risks are discussed in Appendix D of the report. The table below provides a summary of those risks.

Table 4 – Summary of Budget Risks 2014/15

Risk	Description	Level of Risk
Financial and Budget Management	Risks that might materialise as a result of ineffective budget management, the impact of non-pay inflation and pay awards, staff vacancy factors, VAT rules, loss of ICTS facilities, treasury management activity and the impact of single status.	Amber
Transformation Programme	Risks that might materialise as a result of not identifying savings, not delivering the savings incorporated into the budget, insufficient sum set aside for the implementation of replacement mainframe system and the budget not being sufficient to procure and implement new IT mainframe systems.	Red
Income and Funding	Risks that might materialise as a result of income being below budgeted levels, clawback, reduction to government grant or increased levels of bad debts.	Red
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy including changes in VAT and personal taxation rules.	Red

10.0 Financial implications

10.1 These are detailed within the reports to Cabinet and Cabinet (Resources) Panel.
[MH/23082013/M]

11.0 Legal implications

11.1 These are detailed within the reports to Cabinet and Cabinet (Resources) Panel.
[FD/23082013/L]

12.0 Equalities implications

12.1 These are detailed within the reports to Cabinet and Cabinet (Resources) Panel.

13.0 Environmental implications

13.1 These are detailed within the reports to Cabinet and Cabinet (Resources) Panel.



Confident, Capable Council

Scrutiny Panel

5 September 2013

Report Title	FutureWorks Programme	
Classification	Public	
Cabinet Member with Lead Responsibility	Councillor Andrew Johnson Resources	
Key Decision	No	
In Forward Plan	Yes	
Wards Affected	All	
Accountable Strategic Director	Keith Ireland, Delivery	
Originating service	FutureWorks Programme	
Accountable officer(s)	Huw McKee	Programme Director
	Tel	01902 55(4036)
	Email	huw.mckee@wolverhampton.gov.uk

Recommendation(s) for action or decision:

The Panel is asked to note and provide feedback on:

1. The FutureWorks Target Operating Model as the blueprint for delivery of finance, HR, procurement, payroll and some support services by April 2014;
2. The high level approach and timescales for implementing the Target Operating Model (TOM) which will now form the basis for detailed implementation plans;
3. The first phase for implementing the Target Operating Model , which includes the appointment of a leadership team by the Director for Delivery through his delegated authority;
4. The progress made by the programme since the last update report in July 2013;
5. The approach that is being taken to ensure that the programme benefits are identified, monitored and delivered.

1.0 Purpose

- 1.1 To provide information on the FutureWorks Target Operating Model (TOM) as the blueprint for delivery of finance, HR, procurement, payroll and some support services from April 2014 onwards.
- 1.2 To provide a high level overview of the proposed approach to implementing the Target Operating Model (TOM), including the timescales for the key implementation phases, in preparation for submission of further reports with the plans and structure details.
- 1.3 To provide an update on recent programme progress following the last update in July 2013.
- 1.4 To provide an overview of the approach that is being taken by the programme for benefits realisation.

2.0 Background

- 2.1 The vision for the FutureWorks programme is to transform the ways of working within the wider council to support the vision of a Confident, Capable Council; a better, stronger council, ready and able to deliver the change this city needs.
- 2.2 This will be achieved through the implementation of new technology and working practices in finance, HR, procurement, payroll and some additional support service activities across the council. It very much aligns with and complements the customer services review that is currently underway.
- 2.3 The council is seeking to re-establish a strong, corporate core which will provide a framework to achieve its ambitions as set out in the 2012-2015 Corporate Plan, under the Confident, Capable Council objective.
- 2.4 The business need that this programme is addressing is:
 - Providing a foundation for change
 - Reducing operational risk
 - Improving efficiency, simplifying the way the council does business
 - Removing barriers to sustained service improvement
- 2.5 The current mainframe systems are used and supported by teams based in the Delivery Directorate:
 - Finance
 - Procurement
 - Human Resources
 - Payroll
 - Parts of ICTS.
- 2.6 While the primary focus will be on services provided by the Delivery Directorate, during the design and implementation phases, action is being taken to identify in-scope activities that are currently undertaken in other directorates. Where appropriate these activities will be included in the Target Operating Model and, either:

- the relevant staff and budgets will be transferred to the Target Operating Model, or
- a budget equivalent to the assessed level of staff will be transferred.

Also in-scope are:

- the tools and business processes used by the schools services team in the Schools, Skills and Learning Division of the Education & Enterprise Directorate;
- any activities that are currently carried out in other directorates, in particular transaction processing, where it is concluded that they will be provided more effectively as part of the new Target Operating Model .

2.7 The impacts of in-scope services are pervasive as they support the provision and management of all front-line services to customers of the council, Wolverhampton Homes, West Midlands Pension Fund and schools and academies in the city.

3.0 Target Operating Model for Future Service Delivery.

3.1 The Target Operating Model (TOM) describes the people, processes and technology required to deliver the programme's aims. Successful implementation of the TOM is critical to delivery of programme benefits, in particular the required budget savings.

3.2 The TOM is based on a series of core principles for future service delivery, including the reorganisation of in-scope activities into 'Tiers of Service'(strategic, professional and transactional) to derive optimum benefit from the investment in new systems and processes.

3.3 The Programme Board has approved the key elements of the TOM; it must:

- Position self-service as the preferred solution for routine transactions
- Include the in-scope activities that currently sit within directorates
- Include a Transactional Hub within the Delivery directorate that co-locates in-scope services

Note: the permanent name for this element of the TOM is subject to confirmation; 'Transactional Hub' is being used during the design and planning stage to describe the new team where Tier 1 activities will take place

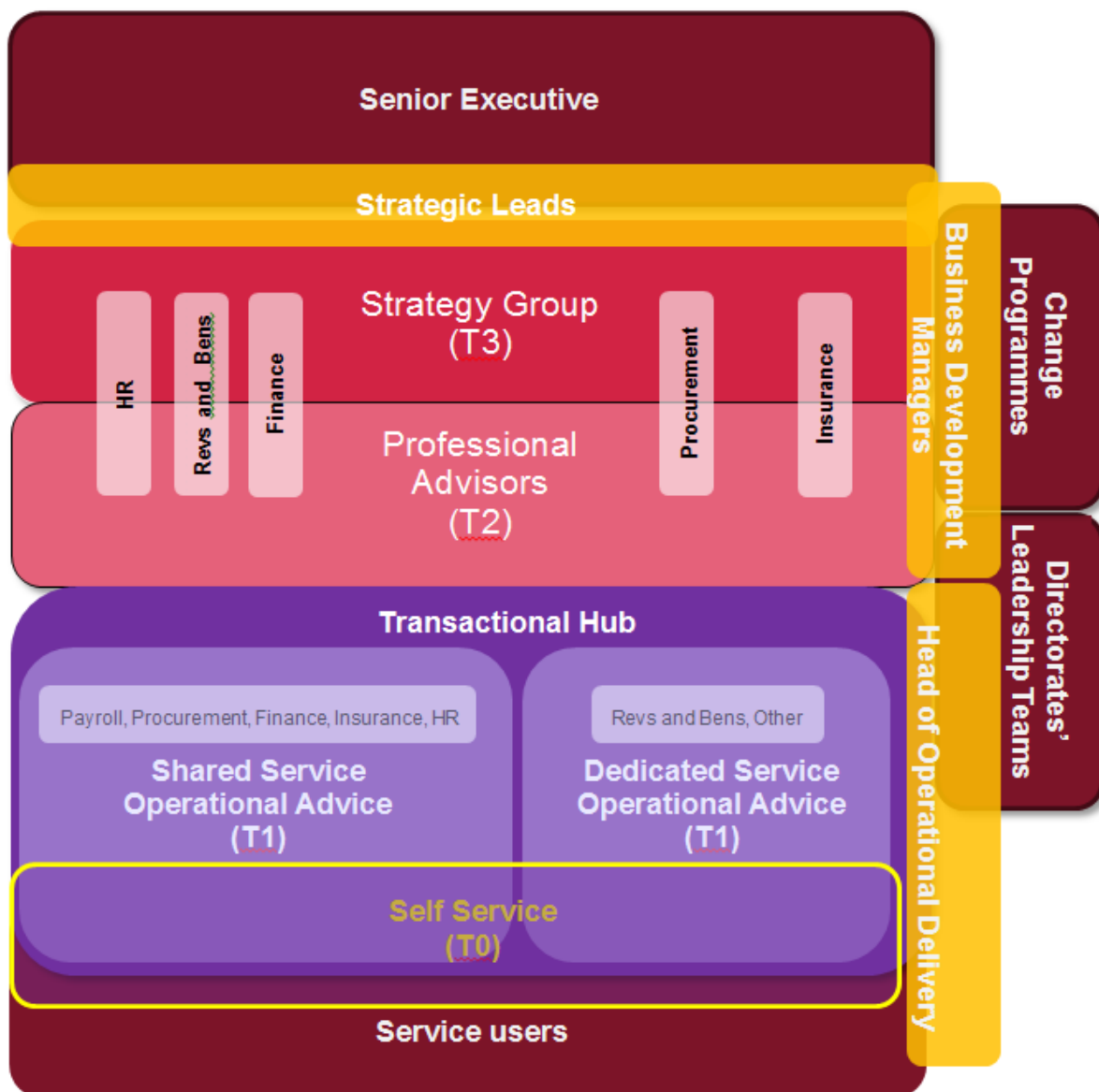
- Provide the business with real time management information to enable effective decision making
- Ensure that Transactional Hub users receive the information they require effectively and economically
- Be adaptable enough to allow future services to be easily integrated into the model
- Assist in delivery of the Channel Shift programme

3.4 These will be realised through:

- Standardised systems and processes for transactional services
- Clear accountabilities and service level requirements within the model
- Clarity of what constitutes strategic, professional and transactional advisory support services – and realigning future roles accordingly
- Cross-skilling teams where appropriate to enable them to offer a single point of contact based upon the needs of the user

- Appropriate professional expertise that meet the needs of the future business, but does not retain specialists that are not essential
- A strong interface between all directorates and the new model, including the introduction of the role of strategic Business Development Manager.

3.5 The diagram below provides an overview of the 'tiers of service' and how they relate to the rest of the organisation. More information about how in-scope services will be realigned into 'Tiers of Service' is provided at Appendix 1, along with examples of the types of transactions to be carried out at each level.



Tier 0 - Self Service

- Target is 66% of in-scope activity to be managed through self-service by April 2015
- All managers and a significant number of staff across the council will have online access to the Agresso system and be able to enter data and retrieve information for themselves. For example, personal data will be updated directly by employees.

Tier 1 –Transactional Hub

- Target is 28% of in-scope activity by April 2015
- The majority of in-scope staff will be based in a new multi-functional Transactional Hub in the Delivery directorate. They will respond to manager and employee queries about in-scope services, process routine transactions and act as the point of contact for external suppliers and debtors.

Tier 2 –Professional (Subject Matter Experts)

- Target is 5% of in-scope activity by April 2015
- A small number of professionally qualified staff will manage more complex transactions and casework and provide specialist support and advice to managers.

Tier 3 –Strategic (Business Partners)

- Target is 1% of in-scope activity by 2015
- The TOM will include senior professional/specialist capacity to support strategic planning, decision-making, reporting and governance.

3.6 Implementation of the TOM will be achieved in a series of phases over the next 18 months:

3.6.1 Phase 0 –‘Lead’ (by 31 October 2013)

This phase establishes the leadership roles required to build and develop the new business structures, cultures and values

During September 2013, the Director for Delivery, under delegated authority, will establish and appoint to the roles of:

- Strategic Leads (Finance, HR and Procurement)
- Business Development Managers
- Head of Operational Delivery (Transactional Hub)
- Professional Leads – Finance, HR and Procurement

These appointments will be made in line with existing HR policy and procedures.

Service outcomes of this Phase	Limited impact on service delivery, although management responsibilities will be realigned to the new management structure
High level role descriptions	<p>Strategic Leads – Finance, HR and Procurement Work with SEB to direct strategy, commission delivery and set professional standards</p> <p>Business Development Managers Work with change programmes and directorate leadership teams to implement strategy and support critical business initiatives</p> <p>Head of Operational Delivery (Transactional Hub) Agree service specifications that meet business requirements, deliver and continually improve all transactional services</p>

	<p>Professional Leads – Finance, HR and Procurement Lead a team of specialist advisors that meet the requirements of the council and ensure advice reflects professional standards</p>
Benefits of this Phase	<p>Provides a robust management team who own the future service operations, future SLAs and performance criteria and support detailed development of their operational team.</p> <p>Reduces risk of service failure during transition and allows early performance improvement from November 2013.</p>
Dependencies / risks / assumptions	<p>Availability of suitable candidates;</p> <p>Assumption that the trade unions will be kept informed;</p> <p>Capacity of the management team to realign duties to provide space to adopt new roles.</p>
Other considerations	<p>These leadership roles will become the future core management team for in-scope services and as such need to combine excellent change management and engagement capabilities with the appropriate business / operational management attributes.</p> <p>They will review and sign off key components of the new design that underpin the model.</p>

3.6.2

Phase 1 – ‘Lift & Shift’ (by November/December 2013)

This phase establishes the new roles and operating structures that will be introduced to align, co-locate and enable the new leadership team to improve performance.

- The Delivery directorate will co-locate and align its services within three centres of expertise:
 - Tier 1 - Operational
 - Tier 2 - Professional
 - Tier 3 - Strategic.
- Operational advisors work within a transactional ‘hub’(Tier 1) with the objective over time of providing a multi-skilled one contact service to clients. Some services will remain specialist within the hub.
- The organisation is led by the new leadership team who set new standards for performance within a transformed service culture.
- The new Business Development Managers ensure that the professional advice / support services remains closely aligned to the business need and change priorities.
- The new Head of Operational Delivery is accountable for delivering services and management information to clearly defined business specifications.

Feature	Description
Service outcomes of this Phase	From November to April 2014 the management team will create a culture that will drive transformation (in readiness for the Agresso system capability to support new ways of working).

Feature	Description
	The focus will be on setting the narrative around what's expected in terms of performance and customer service and then holding people to account for delivery.
High level role descriptions introduced within this phase	<p>Strategy Managers (Tier 3) Research and develop strategies and policies that will enable the council to deliver against its' Corporate Plan</p> <p>Professional Advisors (Tier 2) Provide expert functional advice and guidance across a range of business change, operational and individual requirements</p> <p>Operational Advisors (Tier 1) Provide service users with generic and routine advice and the appropriate referral of users to other resources</p> <p>Service Support Roles Provide the delivery directorate (i.e. all those within the scope of the TOM) with administrative and technical support</p>
Benefits of this Phase	<p>The business can start working to new roles and associated service standards and measures quickly. This will build the relationship with directorates and get better value from expertise.</p> <p>New service standards and performance measures will help identify and resolve areas of poor performance. This will allow technology change to be introduced in April while reducing the potential for service failure.</p>
Dependencies / risks / assumptions	<p>The co-location requires the provision of physical location for the whole of the existing team.</p> <p>Assumption that the trade unions will be kept informed.</p>
Other considerations	Employees will be subject to significant challenges during phases 1 and 2 and will receive support to help them determine the best outcome depending on individual circumstances. Alternative strategies such as voluntary redundancy may be appropriate.

3.6.3 Phase 2– 'Enable' (April to June 2014)

Implements further changes to the organisation structure as a result of introducing Agresso with consequent reductions in staff numbers and costs.

- All in-scope staff are co-located and new structures are implemented
- Agresso solutions and new processes are live.
- During the transition period the directorate will initially retain sufficient staff to help manage the changeover to the new systems and ways of working but the team will reduce in size as the new processes and self-service solutions become embedded

3.6.4 Phase 3– 'Extend' (July to November 2014)

This phase covers the period when the Transactional Hub will start to achieve additional savings:

- Further elements of the Agresso solution are introduced that will extend self-service.
- Additional benefits resulting from the better management and improved process efficiencies are realised.
- The Transactional Hub matures and Tier 1 employees become more fully multi-skilled resulting in further downsizing.

3.6.5 **Phase 4– Optimise (April 2015)**

This phase describes the target model that will enable the service to be optimised against efficiency and effectiveness measures. The service will, in its optimised form, be sufficiently mature to provide services to third parties and so offset costs

The service will become more integrated. For example, the extent to which professional advisors provide operational advice will be revisited and it is possible that this activity might be more closely aligned to Transactional Hub operations.

3.7 The implementation plans and proposed structure details for phases 1 to 3 are currently being developed with Agilisys and will be reported back to this Panel when this work is complete.

4.0 **Programme Progress Update.**

4.1 Following the previous programme update in July the following activities have taken place:

- (i) Joint Programme Board meetings have continued, chaired by the Strategic Director, Delivery.
- (ii) The Target Operating Model document has been approved by the Programme Board.
- (iii) The programme communications and engagement strategy has been approved by the Programme Board.
- (iv) A consolidated risk and issues register has been maintained. The most significant risks continue to relate to the requirement ensure effective engagement with schools and risks relating to the potential banking contract tender exercise over coming months. Action is being taken to ensure that all risks are managed effectively.
- (v) High level design workshops were completed and the outcomes approved by the Programme Board.
- (vi) Detailed design workshops have commenced led by the Agilisys team and attendees have included representatives from the council's programme team, council departments and partner organisations (including Wolverhampton Homes and West Midlands Pension Fund).
- (vii) Programme assurance arrangements continue to operate with support from internal audit, external audit (PricewaterhouseCoopers) and Ernst & Young the council's strategic advisors for the programme.

- (viii) Stakeholder Engagement has continued, including:
 - Regular briefings for managers and staff
 - Launch of the programme's SharePoint information site to help ensure that managers and staff across the council have access to up to date information
 - A site visit has been arranged to North Somerset and more visits are to follow in September
 - Partner organisations continue to be actively engaged – Wolverhampton Homes, West Midlands Pension Fund and schools
 - Fortnightly briefing meetings continue to be held with the Trade Unions.
- (ix) A data collection exercise has commenced across all workstreams and the data cleansing strategy has been drafted for internal review
- (x) The hardware server build is in progress and the configuration document detailing the sign off/ acceptance criteria for infrastructure has been drafted.

5.0 Benefits Realisation

- 5.1 The FutureWorks Programme is a key deliverable of Wolverhampton City Council's Corporate Plan 2012-2015 objective to become a Confident, Capable Council.
- 5.2 Drivers for change and the key outcomes for the FutureWorks programme are:
 - Improving efficiency and simplifying the way the council does business
 - Providing a foundation for change
 - Reducing risk
 - Delivering transformation change
- 5.3 The anticipated benefits associated with the Programme delivery can be summarised as:
 - Efficiency Benefits:** providing a foundation for change through improved financial control and financial planning; reducing the cost of providing in-scope services.
 - Customer Engagement Benefits:** improving service quality through the provision of consolidated data to make quick and informed decisions; improving the quality and scope of support to customers of the in-scope services.
 - Compliance Benefits:** reducing risk through the implementation of new business applications
 - Transformation Benefits:** providing flexibility to adopt new service delivery models and new ways of working.
- 5.4 The programme's benefits realisation approach is based on three core principles:
 - (i) identifying and modelling the benefits;
 - (ii) establishing the basis of optimising the benefits – through agreement with stakeholders and understanding the nature and interdependencies of how they are delivered, and
 - (iii) through a detailed benefits realisation plan and tracking tool.

Benefits modelling and tracking will be supported by use of Agilisys' Realisor software tool.

- 5.5 The programme is divided into two distinct phases, the first of which is the implementation of the enabling technology, Agresso, and the Target Operating Model. The second phase focusses on implementation of self-service and business transformation activities to support the benefits realisation plan.
- 5.6 The programme has been targeted (since December 2010, following an options review) in the council's Medium Term Financial Strategy with delivery of **cashable benefits** amounting to least £1million recurrent savings in 2014/15, plus a further £2.4million in 2015/16 onwards. These savings will be delivered across the whole council as a result of the implementation of the operating model.
- 5.7 The primary focus will be on in-scope staff in the Delivery Directorate. This is based on efficiency reductions of a minimum of 37 per cent when the new operating model is fully-established, moving existing in-scope teams from 224 FTE to 141 FTE.
- 5.8 Further cashable benefits may be identified in the Office of the Chief Executive, Community and Enterprise & Education Directorates. These will be discussed with Directors to determine whether they fall inside the scope of FutureWorks benefits or contribute to the wider corporate savings targets.
- 5.9 Many of the **non-cashable and intangible benefits** of the programme will have an organisation-wide impact and are linked to the ICT systems replacement that will enable better management information, self-service and a single version of the truth.

6.0 Financial implications

- 6.1 As reported to Cabinet on the 8th December 2009, an annual revenue budget of £2.5 million was established for the replacement of the core mainframe applications. This budget was incorporated into the Medium Term Financial Strategy for three financial years starting in 2010/11, making a total of £7.5 million.
- 6.2 The unspent amount of £2.2 million in the 2010/11 budget was subsequently transferred to a specific reserve during the final accounts process, a further £1.8 million from the overall net saving from across the Council was also transferred to increase the reserve to £4.0 million.
- 6.3 Taking into account the 2011/12 Outturn, in addition to budgets earmarked for the replacement of the core mainframe applications during 2012/13, the total revenue resources that are available for the remainder of this Programme stood at £8.2million as at 31st March 2012.
- 6.4 The 2012/13 outturn is £1.6 million this will reduce the reserve established for the programme to £6.6 million. £1.6 million has previously been approved by cabinet and approval for £200,000 has been requested in the Quarter 3 report for Programme Management support costs. It is important to note that the reserve was set up to cover the one off costs of the programme rather than covering the full cost of ownership over several years.

6.5 The total cost of ownership of the preferred bidder is £7.9 million.

Year	Supplier cost £000	Council resources £000	Less potential capitalisation £000	Capital financing charge £000	Annual spend £000	Draw-down of reserve £000
						6,412
1	3,745	1,293	(2,200)		2,838	3,574
2	1,692	635	(500)	440	2,267	1,307
3	176			540	716	591
4	176			540	716	
5	176			540	716	
6				540	540	
7				100	100	
Total	5,965	1,928	(2,700)	2,700	7,893	

6.6 From year 4 a growth in the MTFs of £780,000 may be required, but the aspiration is to increase savings over the amounts already reported in the MTFs to off-set the additional costs, however in order to be prudent the additional annual costs from financial year 2016/17 have been reflected as growth in the latest version of the MTFs.

6.7 The cost of £6.0 million only includes those areas in-scope as agreed during the evaluation process. Any further development/upgrades or implementation of systems that are out of scope will require a business case to establish further funding.

6.8 The savings that have been reported in the Medium Term Financial Strategy are £1.0 million in 2014/15 and a further £2.4 million in 2015/16; these savings will be delivered from a contribution of staffing and non-staffing budgets from across the whole council as a result of the implementation of the new system
[DM/20082013/W]

7.0 Legal implications

7.1 There are no adverse legal implications arising from the matters set out above, the project team will continue to receive legal advice and assistance as required.

7.2 The programme is partly governed by the contract between the Council and Agilisys.
[MB/19082013/X]

8.0 Equalities implications

8.1 An Equality Assessment has been completed for the programme and was included as an appendix to the Final Business Case that was approved by Cabinet in July 2013.

- 8.2 Bidders' equality policies were assessed at Pre Qualification Questionnaire stage during the procurement process to ensure that they meet the Council's minimum requirements.
- 8.3 Appointments to posts in new structures as a consequence of the programme will be made in line with council HR policies and the trade unions will be consulted as appropriate. The Equality Assessment will be reviewed and updated during the implementation of these changes.

9.0 Environmental implications

- 9.1 Bidders' environmental management & sustainability policies were assessed at PQQ stage during the procurement process to ensure that they meet the Council's minimum requirements.
- 9.2 Implementation of new technology and working practices through this programme will significantly reduce the requirement to hold paper records.
- 9.3 A key deliverable from the programme will be improved management information for decision-making. This includes information, for example, about usage of supplies and services, to enable more sustainable procurement decisions.

10.0 Human resources implications

- 10.1 The current number and cost of in-scope staff in the Delivery directorate are detailed in the table below:

Service	Annual Salary Budget £000	FTE
Finance	3,328	95
Human Resources	3,073	84
Payroll	630	24
Procurement	736	21
Total	7,767	224

- 10.2 Also in-scope are any of the above activities that are currently carried out in other directorates, in particular transaction processing, where it is concluded that they will be provided more effectively as part of the new Target Operating Model . The scope of these activities and staff numbers are to be quantified when implementing the Target Operating Model. In scope resources/employees within directorates will be included within the Target Operating Model implementation process and dealt with in the same manner as in scope employees/resources within the Delivery directorate

- 10.3 The council is working with Agilisys to design new organisation structures to underpin the Target Operating Model ; key design components will be the introduction of 'Tiers of Service' including a transactional hub.
- 10.4 Briefing meetings have been held with in-scope in the Delivery directorate over recent months to raise awareness of the programme and the potential implications for existing teams and roles. The most recent briefings (in August 2013) covered the proposals relating to the Target Operating Model, including the Transactional Hub and implementation timescales.
- 10.5 Further consultation meetings are planned over coming months as the detailed restructure proposals that underpin the Target Operating Model are finalised and the specific impacts are known.
- 10.6 Fortnightly meetings are being held with the trade unions to consult on the proposals and regular updates are provided to the Joint Consultative Panel.
- 10.6 All appointments to roles will be made in line with the council's HR policies and procedures.

11.0 Schedule of background papers

Report to Performance, Governance and Support Services Scrutiny Panel – 21 June 2012 - *Shared Services Programme Update*

Report to Cabinet (Resources) Panel – 25 July 2012 - *Shared Services Transformation Programme*

Report to Cabinet (Resources) Panel – 11 September 2012 - *Shared Services Transformation Programme*

Report to Cabinet – 14 November 2012 - *Shared Services Transformation Programme*

Report to Performance, Governance and Support Services Scrutiny Panel – 24 January 2013 - *Shared Services Programme Update*

Report to Cabinet (Resources) Panel – 3 April 2013 and Cabinet 10 April 2013 - *Shared Services Transformation – Contract Award*

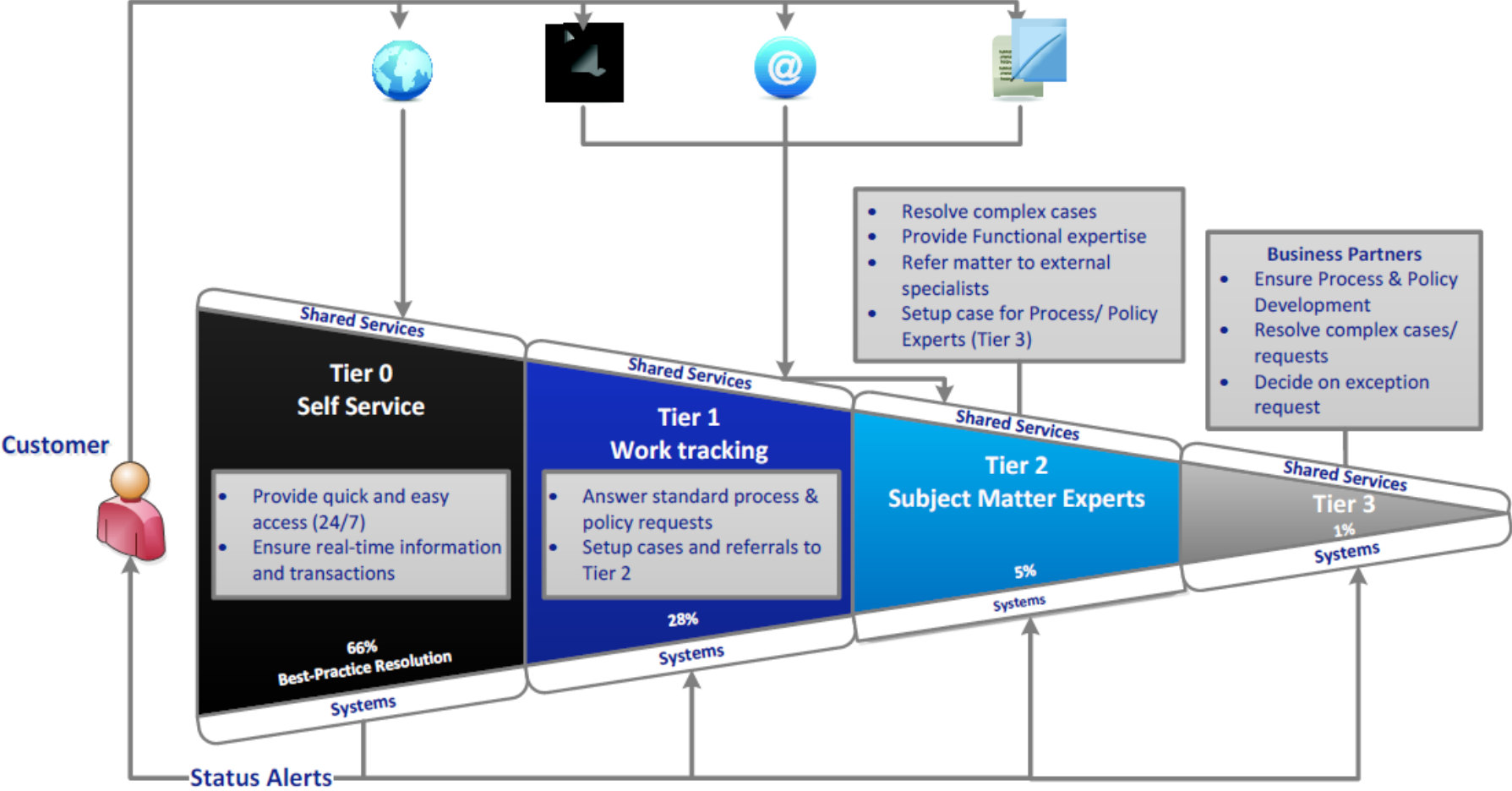
Report to Cabinet (Resources) Panel – 3 April 2013 and Cabinet 10 April 2013 - *Shared Services Transformation – Full (Outline) Business Case*

Report to Cabinet (Resources) Panel – 21 May 2013 and Cabinet 22 May 2013 - *FutureWorks Programme – Governance Arrangements*

Report to Confident, Capable Council Scrutiny Panel – 18 July 2013 - *FutureWorks Programme – Progress Update and Final Business Case*

Report to Cabinet (Resources) Panel – 23 July 2013 and Cabinet 24 July 2013 - *FutureWorks Programme – Progress Update and Final Business Case*

Target Operating Model - Overview



Target Operating Model

[Source: Based on Agilisys' final tender submission, April 2013]

Tier 0 - Self-Service Transactions (Examples)

HR and Payroll

Policies & procedures	Intranet access to Council policies - also linked from the self-serve portal (e.g. a link to the expenses portal to the expenses policy)
Expenses	Self-serve access to submit expenses
Absence	Self-serve access to the recording, approval / logging and updating of records by employees and managers
Personal details	Self-service access to update - e.g., bank details, address, title
Employee data	Self-service access to update - e.g. working pattern data
Management information (including dashboards)	KPI tracking available to managers, ability to run standard reports and enquiries
Integrated HR & payroll queries	Facility to store and run queries at either a role or individual level
People management	Manager access to employee details

Finance

Budget forecasting	Forecast adjustments to budget by the manager
Budget monitoring	Monthly budget monitoring updates
Reporting	Dashboard reporting of budget
Budget creation	Bottom up budget creation
Journals / virements	Transfer budgets between cost centres
Raising invoices	Sales invoicing
Raising requisitions	Request goods & services (catalogue or non-catalogue)
Approvals	Approval of spend, virements and other workflow items

Procurement

Raising requisitions	Request goods & services (catalogue or non-catalogue)
Contract information	Links to contract guidance and information on the internet
Goods receipting	Confirmation / rejection of commitments
Supplier performance	Dashboard reporting of supplier performance against delivery times and performance metrics

Tier 1 - Transactional Hub Activities (Examples)

HR and Payroll

Recruitment & appointment	Updating approving new recruit data when the recruitment process has been signed off
Contractual changes	Input of contractual amendments
Low level advice & guidance	Simple policy clarifications and advice
Support absence management	Assist managers with absence management and provision of a central sickness absence line for staff
Transactional queries	Queries on pay e.g. confirming overtime payment values
Transaction tracking	Highlighting performance levels, e.g. days to recruit, days to process claims, payroll accuracy
Statutory / contractual compliance & queries	Reporting on compliance against policy (e.g. back to work interviews completed, overtime hours worked by staff)
People management	Updating information and supporting managers with learning & development requests (e.g. signposting training)

Finance

Statement of accounts	Month end - checking for consistent closure across council
Cash management	Resolving cash allocation issues and ensuring timely receipt of incomes
Budget guidance/business support	Advice to managers on creating budgets
General accounting	Accounting support to Tier 2/3; focused on processing
Third parties (eg. Schools, Wolverhampton Homes)	Supporting third party exchequer services
Supplier enquiries/ customer enquiries	Resolving queries from customer / suppliers e.g. invoices and payment
Processing invoices	OCR (Optical Character Recognition) processing of invoices
Collection activities	Debt collection activities / recovering income

Procurement

Operational sourcing	Sourcing of commodity items
Policy monitoring	Monitoring and compliance to Tiers 2/3 - recommending policy e.g. three quotes for values over specified values
Advice & guidance	Providing guidance on self-service e.g. requisition support
Savings tracking	Running queries and reporting on savings and missed savings opportunities

Tier 2 –Professional - Subject Matter Expert Activities (Examples)

HR and Payroll

Absence management support	Supporting managers on absence issues - advising staff and resolving without Tier 3 involvement
Case management support	Support for Tier 3 management on case work - e.g. preparing assessment and file reviews
Contractual & policy changes	Checking more complex requests - e.g. flexible working
People manager support	Complex issues relating to manager / employee relations that require professional guidance

Finance

Statement of accounts	Budget monitoring checks, exception reporting to Tier 3 and trend analysis for management team
Budget re-modelling support	Working through complex requirements to remodel budgets with managers and model scenarios using Agresso
Audit support	Preparation of audit tracking reports, spot checks on compliance and performing health checks
Complex supplier enquiries	Working with suppliers to resolve payment issues - e.g. withheld payments due to lack of goods receipting
Bad debt provision	Reporting and tracking overdue debts for Tier 3 decisions on bad debt provisions
Legal debt recovery	Escalation of debt processes

Procurement

Category management	Driving procurement wave plans to deliver savings targets
Strategic sourcing	Larger scale procurements / framework contracts
Commissioning	Re-provision of service delivery on a commissioning basis
Contract management / review	Supplier relationship management

Tier 3 –Strategic - Business Partner Activities (Examples)

HR and Payroll

Complex HR& payroll policies	Setting and directing policy, providing restructure guidance and support for consultation. Trade union stakeholder management
Casework	Resolution of complex, multi-stage appeals and case work
Fulfil the council's statutory and contractual obligations	Compliance with legislative policy e.g. equal opportunities policies
People manager support	Workforce development / talent management

Finance

Statement of accounts	Formal closure of accounts and reporting to Cabinet, Senior Leadership
Financial risk	Management of council reserves, investment and insurance provisions
Financial policy	Preparation of audit tracking reports, spot checks on compliance and performing health checks
Treasury management policy & procedures	Ensuring compliance with regulation / law Strategic investment planning
Budget creation	Top down budget planning / advice

Procurement

Procurement strategy	Overall setting and agreement of procurement strategy for the council
Small/medium enterprise approach	Driving local economy engagements and setting SME %
Community outcomes	Carbon footprint targets for example
Legislative compliance	Tracking and reporting on overall risk to council
Category wave plan	Setting priorities for 3 year procurement wave plans to deliver savings targets