

Overview & Scrutiny

Governance and Resources Scrutiny Commission

All Members of the Governance & Resources Scrutiny Commission are requested to attend the meeting of the Commission to be held as follows:

Monday, 19th January, 2015

7.00 pm

Room 103, Hackney Town Hall, Mare Street, London E8 1EA

Gifty Edila

Corporate Director of Legal, Human Resources and Regulatory Services

Contact:

Tracey Anderson

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**Members: Cllr Rick Muir (Chair), Cllr Deniz Oguzkanli, Cllr Will Brett,
Cllr Laura Bunt, Cllr Rebecca Rennison and Cllr Nick Sharman**

Agenda

ALL MEETINGS ARE OPEN TO THE PUBLIC

- 1 Apologies for Absence**
- 2 Urgent Items / Order of Business**
- 3 Declarations of Interest**
- 4 Minutes of the Previous Meeting** (Pages 1 - 12)
- 5 Public Spend Information Session For Review** (Pages 13 - 14)
- 6 ICT Review Executive Response** (Pages 15 - 40)
- 7 Budget and Finance Update** (Pages 41 - 42)
- 8 Governance and Resources Scrutiny Commission -
2014/15 Work Programme** (Pages 43 - 50)
- 9 Any Other Business**

Access and Information

Getting to the Town Hall

For a map of how to find the Town Hall, please visit the council's website <http://www.hackney.gov.uk/contact-us.htm> or contact the Overview and Scrutiny Officer using the details provided on the front cover of this agenda.

Accessibility

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Induction loop facilities are available in the Assembly Halls and the Council Chamber. Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

Further Information about the Commission

If you would like any more information about the Scrutiny Commission, including the membership details, meeting dates and previous reviews, please visit the website or use this QR Code (accessible via phone or tablet 'app')

<http://www.hackney.gov.uk/individual-scrutiny-commissions-governance-and-resources.htm>



Public Involvement and Recording

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Those wishing to film, photograph or audio record a meeting are asked to notify the Council's Monitoring Officer by noon on the day of the meeting, if possible, or any time prior to the start of the meeting or notify the Chair at the start of the meeting.

The Monitoring Officer, or the Chair of the meeting, may designate a set area from which all recording must take place at a meeting.

The Council will endeavour to provide reasonable space and seating to view, hear and record the meeting. If those intending to record a meeting require any other reasonable facilities, notice should be given to the Monitoring Officer in advance of the meeting and will only be provided if practicable to do so.

The Chair shall have discretion to regulate the behaviour of all those present recording a meeting in the interests of the efficient conduct of the meeting. Anyone acting in a disruptive manner may be required by the Chair to cease recording or may be excluded from the meeting. Disruptive behaviour may include: moving from any designated recording area; causing excessive noise; intrusive lighting; interrupting the meeting; or filming members of the public who have asked not to be filmed.

All those visually recording a meeting are requested to only focus on recording councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed. Failure by someone recording a meeting to respect the wishes of those who do not wish to be filmed and photographed may result in the Chair instructing them to cease recording or in their exclusion from the meeting.

If a meeting passes a motion to exclude the press and public then in order to consider confidential or exempt information, all recording must cease and all recording equipment must be removed from the meeting room. The press and public are not permitted to use any means which might enable them to see or hear the proceedings whilst they are excluded from a meeting and confidential or exempt information is under consideration.

Providing oral commentary during a meeting is not permitted.

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Governance and Resources Scrutiny Commission 19 th January 2015 Minutes and Matters Arising	Item No 4
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Outline

Attached are the draft minutes from the meeting on 8th December 2014.

Action

The Commission is asked to agree the minutes.

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London Borough of Hackney
Governance and Resources Scrutiny Commission
Municipal Year 2014/15
Date of Meeting Monday, 8th December, 2014

Minutes of the proceedings of
the Governance & Resources
Scrutiny Commission held at
Hackney Town Hall, Mare
Street, London E8 1EA

Chair	Councillor Nick Sharman
Councillors in Attendance	Cllr Deniz Oguzkanli, Cllr Will Brett, Cllr Laura Bunt and Cllr Rebecca Rennison
Apologies:	Cllr Rick Muir
Co-optees	
Officers In Attendance	Gifty Edila (Corporate Director of Legal, HR and Regulatory Services), Michael Honeysett (Assistant Director Financial Management), Greg Lane (Head of Governance Services), Scott McAlpine (Governance Services Manager), Stephen Rix (Principal Lawyer - Housing) and Ian Williams (Corporate Director of Finance and Resources)
Other People in Attendance	Councillor Brian Bell, Councillor Robert Chapman, Councillor Christopher Kennedy, Councillor Sophie Linden (Deputy Mayor), Councillor Geoff Taylor (Cabinet Member for Finance) and Councillor Jessica Webb
Members of the Public	
Officer Contact:	Tracey Anderson ☎ 020 8356 3312 ✉ tracey.anderson@hackney.gov.uk

Councillor Nick Sharman in the Chair

1 Apologies for Absence

1.1 Apologies for absence from Councillor Rick Muir.

2 Urgent Items / Order of Business

2.1 In the absence of the Chair and Vice Chair of the Commission a new Chair was elected to preside over the meeting.

- 2.2 Cllr Will Brett nominated Cllr Nick Sharman.
- 2.3 Cllr Laura Bunt seconded the nomination.
- 2.4 Cllr Sharman was elected as Chair of the meeting.
- 2.5 There is a change to the order of the discussion items. Item 6 was taken before item 5.

3 Declarations of Interest

- 3.1 None.

4 Minutes of the Previous Meeting

- 4.1 The minutes of the meeting held on 10th November 2014 were agreed.

RESOLVED	Minutes	were
	approved.	

5 Cabinet Question Time

- 5.1 The Chair welcomed Councillor Geoff Taylor, Cabinet Member for Finance from London Borough of Hackney (LBH) to Cabinet Question Time (CQT).
 - 5.1.1 The Chair explained CQT sessions were previously held by the Overview and Scrutiny Board. Following the demise of the Board and implementation of the new governance structure, Cabinet Members are appearing at the individual Scrutiny Commissions for their portfolio area.
 - 5.1.2 In advance of the meeting the Commission submitted questions to the Cabinet Member for Finance. The Cabinet Member for Finance opened the session with the following comments in response:
 - The budget announced in the Autumn Statement on 3rd December 2014 anticipates the Government will achieve a surplus and clear the deficit by 2020.
 - The Cabinet Member for Finance said that re-election of the current government would mean a continuation of the budget cuts experienced by local government and tax rises to attain the budget surplus. This will result in difficult decisions needing to be made in the near future.
 - The Council will need to become very efficient and reduce resources. He explained efficiency could be achieved a number of ways for example by making changes to a service provision.
 - To date the Council has made the majority of its savings through rationalising back office functions.

- Further reductions in funding from Central Government will require local government to think innovatively about ways to generate future income and control expenditure. The Cabinet Member explained influencing behaviour helps to control expenditure, for example encouraging residents to use online services as their first port of call would be more cost efficient for the Council. Focusing on prevention for service provision - for example working with families earlier than at crisis point will help to prevent taking children into care.
- The Council is investing in Hackney to make maximum use of the organisations assets and land values in the borough.
- The Council currently has 15 million pounds in reserves to help with future expenditure and reduce the impact of income reduction.

5.2 Discussion, Comments and Queries

- a) Members referred to previous discussions about local government finances and the graphs that demonstrated the impact of reduced Government grant. Members enquired about the Council's plans in response and an indication of the services that would be impacted. The Cabinet Member for Finance told the Commission that he hopes the council it will not need to make decisions about service reductions. He advised by driving up efficiency within the organisation he anticipates this would reduce the need for significant reductions to frontline services. The Corporate Director of Finance and Resources added the council is awaiting confirmation of the local government settlement, this would provide confirmation of their savings target.
- b) Members referred to the council's risk planning and enquired how it would respond if there was a sudden change in funding. The Cabinet Member for Finance explained if all the funding from central government stopped the council would not be able to replace that source of income. He pointed out that no local authority could survive such a dramatic change to their income.

The Corporate Director of Finance and Resources informed the Commission that services are managing spend well in spite of budget reductions. It was noted the Discretionary Housing Payment budget had reduced from 2.5 million to 2.2 million pounds. Anticipating that the spend amount for 15/16 would be similar to 2014/15, the department achieved an under spend which enabled the department to absorb the impact of the budget reduction.

- c) Members commented that all political parties have indicated they would continue with the current austerity plans. Members enquired if councils have any control over their income receipts and if by strengthening the role of local government in terms of the services it delivers, local partnership could help share the burden of reduced resources. The Cabinet Member for Finance confirmed a local authority has no discretion over tax receipts. He explained that a local authority needs to prioritise services like education because this aids growth in the local area and supports more people into employment. The Council also has a duty to provide care and look after the vulnerable. He highlighted the Council has a balancing act of investment and meeting the costs of consumption.

- d) Members wanted to know if the Council had considered being innovative and developing an expertise in a particular area. Members enquired if the Council had increased productivity in areas it had previously not and vice versa. Members pointed out residents may be willing to buy services from the Council instead of a private company, if it was willing to develop an expertise in a particular service area to generate income. The Cabinet Member for Finance informed Hackney Learning Trust is a council service operating in an innovative way by selling its services; which was helping to cover the overhead costs of the service provision.

The Corporate Director of Finance and Resources advised the Council has raised some additional income in this way before, in providing commercial waste services to other areas, however they have been accused of operating in ultra vires. Council is looking at all estates and areas for commercial viability. The Corporate Director of Finance and Resources offered to brief Members on the Council's income generation plans.

- e) Members enquired if the Council has carried out an analysis on delivery of savings through co-production with residents. The Corporate Director of Finance and Resources informed the Council has consulted with local residents, but, due to competing demands on an individual's life and being a densely populated borough in London it was harder to find people to volunteer their time compared to rural areas.
- f) Members discussed service redesign and how it could be conducted by the people who use the service to give local residents more involvement, if a particular service would benefit from taking this approach.
- g) Members asked if there was the possibility of raising council tax but also queried if a rise would be counterproductive given the current climate. The Cabinet Member for Finance informed Members there was a limit to the amount a council could raise in tax and how much extra income it would generate. The financial performance of the organisation is outlined in the Overall Financial Position (OFP) report which includes information about the Council's income generation plans.

The Corporate Director of Finance and Resources informed the Commission that the debate at Full Council in February 2014 outlined the Mayor's approach to council tax locally and the rationale for his decision. He explained changes to council tax would require looking at the resources that may be raised and the impact of this action on the Council Tax Reduction Scheme as it could counteract any gain in resources.

- h) Members enquired about having access to information that shows the performance of the organisation and asked the Cabinet Member what performance indicators he reviewed on a regular basis to be satisfied with the performance of the organisation. The Cabinet Member for Finance informed he regularly reviewed benefit payment, payments to creditors, % of council tax receipts and rents on HRA – all indicators are currently healthy. The Cabinet Member for Finance suggested a one page brief on the OFP report could be provided to the Commission.

The Corporate Director of Finance and Resources informed the Commission all performance information was available to Members on Covalent. He advised the information was no longer produced as a report. All Members have access to the system to view all the indicators and could create their own dashboard suite of indicators to review.

- i) Members enquired about the number of agency staff and if the Council had made progress in reducing the numbers used. The Corporate Director of Finance and Resources advised his team worked closely with Human Resources (HR) on this matter. Agency staff costs were previously £48 million and this has dropped to below £30 million. He explained there were some frontline services that need the flexibility and additional resources to cover peaks in demand. It was noted some service areas experienced competition for staff because London has an active job market for some public sector service staff. Despite corporate pressure to manage costs the active job market can make it hard to attract and retain staff in those service areas.
- j) Members explained through their experience of being an advocate they noticed that if the correct question was not asked a person would not get access to the help or support they needed. During the discussion Members were asked of the most common instances when this occurred. Members of the Commission informed that it was common with housing related cases and where the person has English as a second language or a disability. In these situations it appeared that the person received a poor service. The Cabinet Member for Finance advised they have an ongoing programme of training for frontline staff. It was key to note there are a number of other services that come into and operate from the Hackney Service Centre.

The Corporate Director of Finance and Resources informed the housing needs service moved into the Finance Directorate in 2011 when satisfaction rate for the service was below 50%. Following a review of the service and restructure satisfaction has increased to 83%. He acknowledged it was important to get the service right at the initial contact stage because it could cost the organisation more in the long term. He encouraged Members to highlight such instances to help with service improvement.

Members were informed a team was set up to ensure people did not access resources they were not entitled to because the council had experienced more attempts of this nature recently.

6 Governance Review - Presentation on role of Corporate Committee

- 6.1 The Chair welcomed Gifty Edila, Corporate Director Legal, HR and Regulatory Services for London Borough of Hackney (LBH).
- 6.1.1 The Corporate Director Legal, HR and Regulatory Services was invited to the meeting to present information about the role and responsibilities of the Corporate Committee implemented in the new governance structure.
- 6.1.2 Members of the Corporate Committee were invited to participate in the discussion.

- 6.1.3 The Corporate Director Legal, HR and Regulatory Services outlined the key points from the reports in the agenda and the presentation on pages 57 – 64 of the agenda.
- 6.1.4 The Corporate Director Legal, HR and Regulatory Services highlighted the final Governance Review report was produced in May 2013 and approved by Full Council on 11 September 2013.
- 6.1.5 The Terms of Reference for the old Regulatory Committee and Terms of Reference for the new Corporate Committee were presented for comparison of the old work programme to the new work programme.
- 6.1.6 It was noted the Corporate Director of Finance and Resources would provide a separate presentation to the Corporate Committee in January 2015. This would cover the role of the committee relating to risk management and audit.
- 6.1.7 It was explained the current executive arrangements for Councils was introduced by the Local Government Act 2000. From the models outlined in the Act Hackney has adopted the Mayor and Cabinet governance model.
- 6.1.8 Section 101 of the Local Government Act 1972 is the power used to establish Corporate Committee. It was noted that without additional committees like corporate, a large number of matters would need approval by a Full Council meeting.
- 6.1.9 The Corporate Committee deals with a range of functions. Corporate Committee has responsibility for some functions that the executive cannot deal with such as HR policy.
- 6.1.10 The Corporate Committee has the responsibility of developing, reviewing, monitoring and maintaining a strategic overview of the Council's regulatory functions.

6.2 Discussion, Comments and Queries

Members discussed the role of Corporate Committee and made the following comments related to the operation of the committee and its role.

- a) Members were unclear about the recommendations being made to them in relation to reports presented to the Committee. Each department and service area provided their reports in different formats and styles and this caused confusion. Members highlighted some reports provide a review of the year, while others provide information about future projections for the service area.
- b) Reports providing a strategic overview did not give enough detail to enable Members to make an informed decision. Members wanted clarity on whether reports required noting or approval. Members advised they wanted more information to feel comfortable in approving a report or policy. Members were of the view that many of the reports requesting approval did not provide sufficient detail to enable them to give approval.

- c) Members queried whether the role given to them is adding value to the organisation.
- d) Members highlighted different skills sets were required for the variety of work the committee covers. Members suggested they could create sub committees to split the work and make better use of their skills.
- e) The workload of the committee was raised as a concern in relation to the range of items on each agenda and the need to dedicate sufficient time to each discussion item on the agenda. Members suggested the work programme and agenda could prioritise discussion items and group them into categories e.g. risk, policy, strategic overview and information items to make the meetings manageable.
- f) All of the Members commented on consistency in relation to the format, style and information presented in the report.
- g) Members queried if they had an active role in strategic overview and policy development and asked if they could change recommendations in reports received. Members wanted to be involved in policy development from the start and not the end as currently the practice.
- h) Members asked about their role in performance monitoring and the high level indicators / framework used to assess and monitor the performance of the organisation. Members stressed they did not want to duplicate the function or role of Cabinet and queried what happened if a Committee Member had concerns.
- i) Members advised they struggled to acquire a consistent view in relation to risk assessment and corporate planning, due to the different interpretations and approaches taken by each service area. Members requested for a pro-forma to risk assessment so they could understand and compare.
- j) Members suggested the committee incorporates on the job training to get to grips with the requirements of their role for each work area.
- k) In response to the points raised by Members of the Commission and Corporate Committee the Deputy Mayor acknowledged the role and work of the Corporate Committee was mixed and some of the committee's reports were for noting or for information because the reports came too late to influence or change.

The Deputy Mayor advised that to influence policy development. Councillors would need to give significant input outside of formal committee meetings. The Deputy Mayor agreed policy reports could be sent to the Committee earlier to enable a dialogue during development.

The Deputy Mayor expressed the view that role of monitoring the performance of the Council has been given to Scrutiny Commissions and the executive, and not to Corporate Committee. It was the Deputy Mayor's view, Corporate Committee's role was to monitor the performance of the regulatory functions in the Council.

Members of the Committee were free to decide how to use their expertise and skill sets to cover the Committee's work.

The review conducted by Shared Intelligence was steered by Members. A key outcome from this review was to reduce the number of committee meetings.

During the discussion the Deputy Mayor acknowledged the reports required consistency and pointed out Corporate Committee should be mindful it did not stray into scrutiny's area of work, scrutinising the performance of the whole council.

- l) The Cabinet Member for Finance reiterated the importance of Corporate Committees role in having oversight of all regulatory functions.
- m) In response to the concerns raised the Corporate Director of Legal, HR and Regulatory Services explained that some of the reports on the current Corporate Committee work programme related to the work of the old regulatory committee which had to be carried forward post the elections to the new Committee after the AGM. The items on the work programme could now be changed by the new committee to re-set Members' priorities.

The Corporate Director of Legal, HR and Regulatory Services confirmed she was in discussion with officers about the regulatory functions to determine which reports need to go to the Committee.

The Corporate Director of Legal, HR and Regulatory Services advised she would inform officers in the service areas about the points raised related to consistency, format and information content.

The Corporate Director of Legal, HR and Regulatory Services confirmed Members of the committee could get involved in policy development on the regulatory functions outside the formal committee meetings. Members of the Committee were free to decide how they can make better use of Members' skill in the work of the Committee inside and outside the formal meetings.

The Corporate Committee has the option to review its work programme and to decide on the work and service areas within its remit that they wish to monitor.

In response to the points raised about report recommendations the Corporate Director of Legal, HR and Regulatory Services acknowledged these would be reviewed to ensure they are smarter / more specific.

The number of reports listed on an agenda for noting could be limited and the officer suggested using a key to indicate these items on the agenda, or separate agenda items on those for decision, and those for Members' information and comment.

- n) The Chair summarised the following points and next steps:
 - Reports to clearly outline the request being made by offices to ensure they are operating appropriately
 - Group agenda items as suggested by Members in point 6.2 (e)
 - Confirm the Committee's role in relation to the review of policy. Advising on:
 - a) What the committee is being asked to do

- b) Their role in relation to raising concerns
- c) Confirm if they can stop a policy development or decision if they have concerns
- Members are of the view there is a gap in performance monitoring for the whole organisation and advised they are unclear who has responsibility for monitoring the overall performance of the organisation in addition to Cabinet Members. Members agreed to discuss this informally outside the meeting.

7 Finance Update - Autumn Statement

- 7.1 The Corporate Director of Finance and Resources updated the Commission on the Autumn Statement announcement on 3rd December 2014.
- 7.2 A detailed briefing was sent to Members. Key highlights noted were:
- The Chancellor of the Exchequer stated the 2015/16 spending plans previously announced remained as stated. In light of this the Council's budget plans for 2015/16 did not need to be altered
 - The Government expects the budget deficit to be replaced with a surplus of £23bn in 2019/20
 - The programme of austerity is expected to continue in the next Parliament with forecasts indicating Britain is only half way through a 10 year programme
 - The Government has indicated (if re-elected) it will continue with the current policy and pace of budget cuts. It is assumed the burden of cuts will overwhelmingly fall on public services. It is anticipated there may be greater cuts in the next spending review compared to those announced thus far – the cut in grant could be higher than that assumed in the Council's current planning
 - Implications from the Autumn Statement for local government are:
 - a) The plans to provide further assistance to businesses in respect of business rates and a review of business rates to report by 2016
 - b) Public sector pay restraints look set to continue until 2017/18
 - c) Total welfare spending is set to be £1bn a year lower than forecast at the budget and changes to unemployment benefits for migrants
 - d) Plans to give local authorities and CCGs indicative multi-year budgets after the next spending review
 - e) The Government will be taking action to ensure the full cost of providing pensions for public service workers will be met by employers
 - f) Plans to invest £141 million to support the London Legacy Development Corporation and Mayor of London to build a new higher education and cultural facility in the Queen Elizabeth Olympic Park
 - The Chancellor of the Exchequer will be spending £10bn less this year than outlined in his original spending plans and some of the under spend will go to the NHS.
- 7.3 Members commented all political parties plan to continue with the austerity plans in some form. Members raised this as a key concern for local government and discussed how the Council could plan and prepare for the worst if the potential squeeze on public sector funding continued. The Cabinet Member for Finance acknowledged the potential funding squeeze is a concern for local government. LBH is looking beyond medium term financial planning to

consider all possibilities for reduction and implications like charges for services, the threshold of service provision and the impact this might have on the borough's future.

8 Governance and Resources Scrutiny Commission - 2014/15 Work Programme

- 8.1 The work programme for the Commission on pages 65 - 70 of the agenda was noted for information.
- 8.2 Members asked for a project plan for the Commission's review work at the next steering group meeting.
- 8.3 Members suggested conducting a mapping of the policy landscape and policy levers.

ACTION	The Overview and Scrutiny Officer to produce a review timeline plan for the steering group meeting on 15 th December 2014.
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9 Any Other Business

- 9.1 None.

Duration of the meeting: 7.00 - 9.40 pm



<p>Governance & Resources Scrutiny Commission</p> <p>19th January 2015</p> <p>Public Spend Information Session For Review</p>	<p>Item No</p> <p>5</p>
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Outline

Governance and Resources Scrutiny Commission will be conducting a deep dive review looking at long term unemployed support in the borough. The key aim is to support prevention and identify the causes of high spend/need, to consider how earlier intervention such as better links between services could reduce demand.

The Commission wishes to understand the current service provision and support provided or commissioned for the long term unemployed in receipt of welfare support. To support this process the Commission has asked the Council and Partners listed below:

- Adult Social Care
- Public Health
- Job Centre Plus
- East London Foundation Trust
- Ways into Work Team

To provide information about their current service provision, client group and service spend/budget for the long term unemployed.

Action

The Commission is asked to note the presentations and ask questions.

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Governance and Resources Scrutiny Commission 19 th January 2015 ICT Review – Executive Response	Item No 6
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Outline

Attached is the Executive Response to the Commission's review on ICT. This was presented to Cabinet in November 2014.

The Commission will note the response and discuss if a further update is required.

Action

The Commission is requested to note the response.

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REPORT OF THE MAYOR		
Executive response to Governance & Resources Commission Scrutiny Review into ICT Cabinet: 24 November 2014	Classification Public	Enclosures
	Ward(s) affected All	

1. INTRODUCTION

- 1.1** There is no aspect of Council Service Delivery which is not dependant upon ICT in some way: from simply sending emails or producing reports to the management of caseloads in benefits, social care and legal; or from collecting income from our customers to paying our staff. Alongside this, the rapid expansion of technology in domestic life has changed our employees' and many of our residents' perspectives and expectations about ICT and quite understandably parallels are drawn between performance and usability in the two spheres of home and work.
- 1.2** As the financial challenges increase so does the reliance on ICT to enable significantly different models of service delivery. The Council's ICT Service is therefore committed to not only provide the systems and technology to enable the delivery of the Corporate Plan at a price that we can afford, but also to ensure that we are in the best possible position to take advantage of future developments in technology for the benefit of our residents and customers.

2. RECOMMENDATION

- 2.1** Cabinet are asked to approve the content of this response.

3. EXECUTIVE RESPONSE TO SCRUTINY COMMISSION RECOMMENDATIONS

Recommendation	Response
<p><u>Recommendation One</u></p> <p>The absence of a Corporate ICT Strategy for the Council has led to ground being lost in taking advantage of new technologies. It is also clear from the ICT customer survey that staff satisfaction is low. Setting a clear direction for the future that puts the interests, effectiveness, skills and satisfaction of staff first would be a bold and positive step to take and one that this Commission would fully support.</p> <p>The Council does, however, a medium-term plan for upgrading key corporate ICT platforms and software. It is important to share the core components of the associated activity plan, and involve as many staff as possible in its design and implementation.</p> <ul style="list-style-type: none"> • The Commission recommends that clear, consistent and ongoing messages are provided to staff about the upgrade proposals. • Governance arrangements for the Corporate Board include scope for specific project teams and staff workshops. It is vital that these are used extensively to inform the “user experience design” of future products. If software and systems are not designed in a way that makes people want to use them, that is a major reason why they don’t work or don’t appear to work well. <p>That at an appropriate future point the Council should explore fully the possibility of moving to a more modern desktop and storage platform, learning fully the lessons from Hillingdon’s recent experience.</p>	<p>Agreed. An independent assessment of the Council’s current ICT Strategy as evidenced by an analysis of current workloads, the ICT hardware & software estate, projects portfolio, service metrics and benchmarks, has been carried out and a preliminary “ICT Strategy & Direction Roadmap” has been produced. This will be developed into a full strategy for implementation from 2015/16.</p> <p>Agreed. The programme was officially launched to staff on July 23rd. There is a dedicated mailbox for any staff feedback or queries and a dedicated area on the Staff Intranet with an FAQ section and a video presentation on the new facilities. A communication plan has been put together with the Comms Team and project updates are included weekly in Staff Headlines. The “myoffice” branding was chosen by attendees of the preview workshops and their feedback has also led to some changes in the way the system will work. The attendees have also been asked to become “superusers” and will develop into a cohort for user acceptance testing and future enhancements.</p> <p>Agreed. The Council’s Enterprise Agreement with Microsoft runs until 2017, at which point the latest office productivity tools will be assessed to determine our future strategy.</p>
<p><u>Recommendation Two</u></p> <p>There is a connection between the experiment taking place in Surrey County Council and the lessons learned from Hackney’s award-winning Waste project with Civica. Staff involved with the Hackney project told the Commission that the project would have benefited from key staff being removed temporarily from their day jobs at the outset, enabling the service</p>	

<p>requirements and design to be explored fully. It was explained that this would have led to a better outcome more quickly. This early part of the process is, in many ways, similar to what the Shift project offers to a range of services in Surrey. The Surrey example also has the advantages of being physically removed and different from mainstream service areas, with staff trained in service design techniques and the option for external challenge and advice built-in.</p> <ul style="list-style-type: none"> • The Commission is aware that an initial set of service improvement groups have been established for four specific areas, and welcomes this move. The Commission recommends that the approach is developed further, using lessons from Surrey, so that services looking to redesign their delivery model, with potential input of digital technology, can benefit from the early input of change experts and external challenge, as well as colleagues from across the Council. • The Commission wishes to emphasise the importance of involving staff and service users in the design of services, including digital and technological solutions. <p>The Commission recommends that the Council establish a Digital Advisory Board, comprising local experts from Tech City and other relevant sectors, who could advise the Council on new developments and future strategy. The model for this Board would be the Education Advisory Group which had proved successful at fulfilling a similar role for the Hackney Learning Trust.</p>	<p>The Improvement Group which was looking at Technology & Systems have prioritised and overseen a number of changes in ICT procedures and processes from the customer perspective, including improvements to the Starters & Leavers process and self-service password resets. A similar model of prioritising and developing service improvements has been adopted by the Parking Customer Journey Board.</p> <p>As set out in the response to recommendation one, this model is fundamental to the “myoffice” programme, and has also been followed in the recent implementation of our Children’s and Adults’ social care systems.</p> <p>It is proposed that a Board be set up, possibly involving Mike Bracken (Head of the Government Digital Service, Cabinet Office) initially to review the forthcoming ICT Strategy (recommendation one above)</p>
<p><u>Recommendation Three</u></p> <p>The Commission recommends that a key group of data analysts within the Council should be encouraged to meet regularly and use the approaches highlighted in this report and in the example from New York City (for example, predictive analysis) to help the authority look at new ways to deliver services or find savings.</p>	<p>We have already made progress on this through discussions on how to take forward Project Stentor that have involved policy analysts working with ICT.</p> <p>Options for the establishment of such a group are currently being considered and being discussed with Joanna Sumner, Assistant Chief Executive. This will tie into work that we are carrying out in the new year to develop data analysis skills across the Council.</p>

Recommendation Four

The Commission is sympathetic to the careful risk management being applied by the Council in this field currently. However there do appear to be a number of other local authorities and public bodies that are less risk averse and seemingly more able to share information in the ways described above. OSB has set out these points previously in its work on Transparency and Open Data and we will not re-rehearse those points here. It is worth noting though, that the Peabody Trust has had no problems sharing anonymised data with Project Stentor Partners, and similarly the other Councils involved in the pilot have agreed Data Sharing Protocols enabling the work to go forward as hoped.

- The Council should explain more clearly why sharing anonymised data about service use is more difficult in Hackney than other places.

The Council should encourage regional organisations such as London Councils and the Local Government Association to request clarity from Government

Noted. We are committed to sharing our data openly and transparently with public sector partners and are participating in the DCLG's Open Data User Group (which is looking at Public toilets, Planning applications and Alcohol & Entertainment licensing). The Council also has a number of data sharing agreements in place for the sharing of personal data.

Because the discussions on Project Stentor involved big data specialists Mastodon C, who work with several local authorities, we were able to reflect on different perspectives and make some progress on what it is possible to share. This issue was also raised by staff in a variety of services as part of the Chief Executive's Improvement Programme and will be explored further in tandem with cross-cutting work programmes established by Cabinet and HMT in the summer. Clearly the potential for taking a resident-centred approach to working across services can be hampered by restrictions on data sharing, much of which may be beyond our control, but there is more we can do to explore ways to make this easier.

However, the considerations of sharing even anonymised data with other partners (as highlighted by Project Stentor), are threefold:

- the key restrictions on data-sharing are the Data Protection Act 1998 and the common law of confidentiality which protect a living individual's right to data privacy. Under the Data Protection Act we can also be found to be acting "ultra vires" if we use information collected for a purpose other than which it was collected
- presenting data concerning a relatively small geographical area where the degree of granularity required to provide meaningful data might compromise anonymity (as was the case with Project Stentor)
- consideration of the point at which sharing more than one set of anonymised data could produce a dataset where individuals could be identified.

We have been awaiting the Cabinet Office's draft legislation to clarify the position on data sharing and a Bill had been expected in this Parliament.

<p>regarding the apparent tension between compliance with PSN and the drive towards more open data. Particularly in relation to how the Data Protection Act and Human Rights Act are interpreted.</p>	<p>However, Cabinet Office is still consulting and therefore nothing will now be brought forward prior to the May 2015 election. The Law Commission also launched a consultation of their own in 2013, but the report from that is not expected until early 2015.</p> <p>Agreed. The Assistant Director-ICT is a member of both Socitm and the London CIO Council (formerly London Connects) both of which are actively lobbying in this area.</p>
<p><u>Recommendation Five</u> The Commission recommends that a more streamlined training offer is made available to staff using screencasts and “youtube” style videos on the intranet. These are already used widely in some areas and are a simple way to show step-by-step how different systems and applications work.</p>	<p>Agreed. A new online training application, Articulate StoryLine, has been purchased and the first video training presentation (for myoffice) is available on the staff intranet. http://staffroom.hackney.gov.uk/ict-myoffice.htm</p> <p>Video tutorials are also available for a number of HR processes, made using an older software tool. http://staffroom.hackney.gov.uk/self-service-user-guides-and-video-tutorials.htm</p>
<p><u>Recommendation Six</u> The Commission recommends that there is a simple interface through which people and businesses with interesting ideas about service delivery can interact with the Council. Members have noted that a lot of good contacts existed within Tech City businesses via the Council’s “Regeneration and Delivery” service but it was not clear how those businesses could offer to help the local authority with its own services, even where there was interest in doing so from the sector.</p>	<p>Regeneration Delivery will be holding a Hackday on 15th & 16th November at the Trampery Publicis Drugstore, the “Hack-ney-thon”. Initial suggested issues for the local business and tech community to tackle include wedding services and a booking process for viewing commercial property. This will be the first pilot Hackday which will be fully evaluated to understand how successful it is and whether it is something we would like to continue to do. It is hoped that this will be the first of many opportunities to work with the local business community to offer these mutually beneficial opportunities to collaborate around tackling key issues.</p>

Lead member: Jules Pipe, Mayor of Hackney

Director: Ian Williams, Corporate Director of Finance & Resources

Appendix 1	Governance & Resources Scrutiny Commission report into ICT
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REPORT OF THE GOVERNANCE AND RESOURCES SCRUTINY COMMISSION

ICT

Governance and Resources Scrutiny Commission
14 July 2014

Classification

Public

Enclosures

None

1. FINDINGS AND RECOMMENDATIONS

Cost savings

- 1.1. On [18th January 2011](#)¹ Cabinet Procurement Committee agreed a recommendation to adopt both insourcing and outsourcing arrangements for ICT support service provision. When this recommendation was agreed the accompanying report explained that “the proposed option cost is projected to save the Council £479k per annum on current contract costs.” This was against a Grand Total annual spend on the contracted support services of £4.1m.
- 1.2. A report submitted to the Commission on [12th November 2013](#)² outlined general fund savings made across the Council from 2011/12 to 2013/14. Regarding the ICT Support Service there are separate entries for the first two years relating to the contract savings specifically.

2011/12

Savings from Sungard procurement bought in house	£20k
Savings from reduction in Sungard out of hours services	£150k

2012/13

Savings from in-sourcing contract and reduction of staff in the support team	£350k
Savings from in-sourcing contract and reduction of staff in the support team	£150k

- 1.3. The total of these 4 items is £670k, which is £191k above the projected savings of £479k. The same report from 12th November 2013 indicated that

¹ <http://mginternet.hackney.gov.uk/ieListDocuments.aspx?CId=113&MID=1110#A18383>

² http://mginternet.hackney.gov.uk/documents/s33594/ITEM7_generalFundSavings_grsc.pdf

further savings of £800k were identified for 2013/14 arising from implementation of the new ICT Support Service delivery model. This would bring the total savings from the previous contract of £4.1m to £1.47m. This would be an achievement far greater than the original estimate of £479k, but perhaps also in line with the scale of the overall financial challenge facing the authority as identified through many recent meetings of the Commission.

Performance

1.4. Corporate ICT subscribe to the London benchmarking service run by the Society for Information Technology and Communications Managers (SOCITM) which uses data from a detailed questionnaire completed by all participants and covering organisation; staffing; finance and ICT service delivery. The Commission received benchmarking data from 2011, the last time this was reported to the Council by SOCITM.

1.5. The following table summarises our financial performance against a range of the cost efficiency KPIs from the 2011 benchmark.

KPI	Description	Highest	Lowest	Median	Hackney
KPI 4	Acquisition cost per PC (i)	£859	£394	£562	£563
	Acquisition cost per laptop (i)	£1016	£472	£611	£760
KPI 18	TCO per PC per annum (ii)	£664	£314	£413	£500
	TCO per laptop per annum (ii)	£613	£324	£432	£539
KPI 17	Cost per converged network connection (iii)	£306	£165	£195	£174
	Total cost of network per user (iv)	£596	£164	£292	£257
	% revenue budget spent on ICT	3.41%	1.02%	2.16%	2.16%
KPI 15	Weighted index of availability (v)	96	54	81	88

Notes:

- i. Equipment cost plus procurement, plus installation
- ii. Total Cost of Ownership: 20% of initial acquisition cost + support cost + cost of connection to the network
- iii. Voice-over-IP sites, such as the main Hackney Campus, including capital investment. (8 reporting participants).
- iv. Costs for voice, data and converged networks
- v. Calculated from data for availability of whole network/part network/email, internet, finance, personnel/payroll and website

1.6. According to the performance data, since the service had been taken back in house, telephone response times for ICT Support been considerably lower

than hoped, at around 65% of calls answered within 30 seconds against a target of 95%. This was attributed to three factors: firstly, Capita (the previous, external supplier of ICT Support) operated an “overflow” system where if all local agents were busy, the call would be passed through to its shared service desk facility to be answered; secondly, the in-sourced service put greater emphasis on a first-time fix; and thirdly, the number of calls coming through to the Service Desk increased by almost 20% with the integration of the Telephone Services and Hackney Homes Service Desks. The average number of incidents and service requests increased from around 5300 per month in 2011/12 to over 6500 per month over the following year.

- 1.7. The Commission was informed that the key to improving performance without increasing resources (and therefore costs) was to reduce the number of calls coming through to the Service Desk in the first instance. The Socitm London benchmark for 2011/12 showed Hackney to have the highest number of calls logged per user/per year at 13.5 and, as noted above, this figure has been rising. What was most concerning to the Service was that the median figure for London was 5.8 per person, and the next highest to Hackney was 8.6.
- 1.8. As part of the in-sourcing restructure process the Service assessed the technical competency of ICT Support staff and the Commission was pleased to learn that plans were in place to raise the standard, and aim to recruit staff who were above Hackney’s minimum competency levels.
- 1.9. More recently, an [ICT Staff Satisfaction Survey](#)³ was carried out in Autumn 2013 and the responses presented a number of challenges to the ICT support service in terms of performance. Comments about this service from staff focused on the length of time to get through to the Service Desk and the increased times taken for problems to be resolved:
“It is often very difficult to get through to ICT staff. And they are often unable to resolve the query at the first point of contact. Sometimes the calls logged are closed even though the issue has not been resolved, this results in having to raise the same issue again. It might help to increase the ICT team’s call resolution number but it is not the true picture as 3-4 calls might be linked with the same issue. It is not efficient use of time and resources.”
- 1.10. In a report to the Commission the ICT Service acknowledged that it had concentrated on projects to improve residents’ experience over that of staff since the Hackney Service Centre opened in 2009/10. In addition, it was reported that centralising local ICT Units (including Hackney Homes) had resulted in changes to working practices that may have left staff in directorates feeling that working relationships with ICT had deteriorated and that ICT staff no longer held the depth of “business” knowledge they had previously.
- 1.11. The Staff Satisfaction Survey results also indicated dissatisfaction with how major corporate projects were designed and implemented for general ICT

³ <http://mginternet.hackney.gov.uk/mgAi.aspx?ID=18078>

uses. One example of this was in response to the Council Document Management (CDM) system:

“The systems we use are generally ok but they appear to have zero usability experience testing. Take CDM for example; everyone likes to moan about it but I think it's an excellent idea and know several colleagues who have left and miss the idea of it in their new organisations. It's just such a complete dog to use - and I don't mean reliability, which again is generally ok. Software developers and buyers seem to think that design is about "look and feel" but it's not, it's about how a piece of software works in the interest of its users. CDM, and most of our other service-based software lacks any design whatsoever and there appears to be no thought given to how people would want to use it. We fit around an off-the-shelf product rather than it being designed for human use, based on an analysis of what people tend to do. Why not make this sort of software a joy for people to use - why not have them bragging about it to colleagues in other authorities - think how much hassle, moaning and time-wasting it would save. Invest in UX [user experience] Design please!”

- 1.12. Furthermore there were examples of staff frustration with the overall performance of various networks and systems that are used. This was found to be a cause of particular concern to staff at a time when the need to make unprecedented financial savings had reduced the number of establishment posts and accelerated the need for effective IT solutions that can release capacity:

“The IT system is very slow, productivity is reduced significantly. It causes additional stress and frustration to a workforce that are being asked to do more and more. We could possibly do more if we could do it quicker! We also need to be proactive with IT and utilise the benefits it can bring to the organisation, ie Social Workers going out with tablets/ipads that connect to the network, Minutes being typed directly onto laptops in meetings, webinars instead of meetings. There are lots of benefits that should be explored.”

- 1.13. In response to the Commission's findings about staff perceptions of performance, it can be shown that “uptime” of key systems within the Council is relatively high. Against a performance indicator of 99.5% availability, benchmarked applications performed as follows in 2012/13:

- Human Resources / Payroll: 100%
- Website: 99.99%
- Revenues and Benefits: 92.03%
- Housing: 99.78%
- Social Care (children's and adults): 99.88%
- Customer Relationship Management: 99.87%
- Planning: 99.98%

- 1.14. The Commission did, however, question the value of these measures as it is not clear that “uptime” represents a full picture of performance. For example,

a system may be “up” 99.99% of the time but this says nothing about how fast or slow it is, or what problems it might contain. The Commission was pleased to learn that the ICT Support Service was taking steps to improve performance overall, including setting high standards for staff competence and helping staff to manage IT Support needs locally where possible.

ICT Strategy and Communications

- 1.15. The most recent Corporate ICT Strategy came to an end in 2011 and it has not been replaced since. The intended future approach following the end of this strategy was that future developments would be picked-up in Directorate and Divisional business strategies, for example there is an ICT Strategy for the Children and Young People’s Directorate. However, the Commission learned that most individual Council services have not been in a strong enough position to do this to date, so there may be a need for a further Corporate ICT Strategy focused on business foresight and planning.
- 1.16. The ICT Service now has three Business Relationship Managers in post whose role is to be the main link for business areas, both to work with managers and staff to prioritise and develop their ICT strategies, and to act as an escalation point when things go wrong.
- 1.17. At a corporate level, the ICT Service has a clear view of steps that need to be taken in the medium-term. This includes upgrading the core operating system and desktop software suite for most staff; most of whom are currently using Windows XP and Office 2002 products. The Commission noted that this software is now at least 12 years old and many staff joining the Council have had to de-skill in order to use it.
- 1.18. The medium-term changes and upgrades planned to the Corporate ICT suite include:
 - Relaunch the Virtual Desktop Interface (VDI)
 - Upgrade Windows on Council desktops
 - Upgrade the Council Document Management (CDM) system
 - Upgrade Microsoft Office
- 1.19. The Commission learned that these changes have in part been dependent on upgrading the CDM system. CDM is integral to most line-of-business applications so certainty was required about it’s ability to handle upgrades to the Windows platform, Office suite, and related products before any change could be made. This raises some questions for the Commission, including the extent to which future-proofing of the CDM System was built-into the original contract.
- 1.20. The Commission also understands that the set of upgrades listed at 2.18 above is being delivered in order to upgrade Windows and Office by the end

of 2014, and that a further decision point regarding the next steps for a document management system will be taken by the end of 2015. Whilst the Commission recognises the pressing need to upgrade Windows and Office, and applauds the Service for doing this, it is worth noting that should the decision at the end of 2015 be to adopt an altogether different approach, the 2014/15 upgrade could have been an expensive and short-term upheaval. In light of this concern the Commission questions why the Service isn't simply working towards the best option immediately, in 2014.

- 1.21. The Commission recognises that a Corporate Board has been established to lead and inform the future development of the proposed upgrade programme. This Board is being Chaired by the Assistant Director for Revenue and Benefits.

Hillingdon and Google

- 1.22. The Commission visited Hillingdon in February 2014 to learn about their experiencing of moving to a cloud-based platform, provided by Google, as their main ICT desktop approach. It is important to be clear that Hillingdon initiated this project in 2011 at a time when it's entire ICT infrastructure needed refreshing and some key contracts were coming to an end; Hackney is not at that point for its key contracts nor infrastructure at present. For example, Hackney's current Microsoft Enterprise agreement runs until 2016; the Council has also developed a comprehensive document management system, which is integrated with its key line of business applications, unlike Hillingdon which retains separate server arrangements for the majority of its line of business systems, which are being steadily migrated to the cloud in phases.
- 1.23. With these important caveats in mind, the Commission was impressed with the progress that Hillingdon had made and some of the assumptions it had dispelled about the skills and appetite of staff to adopt new technology that is designed for their everyday use. The organisational benefits were very impressive and clear to see.
- 1.24. Hillingdon was in the second phase of this change programme (it was specifically a 'change' programme and not an 'ICT' programme). The first phase had involved migrating staff onto Google accounts and adopting its suite of core software such as Gmail, Google Calendars and Google Drive. The latter is effectively Google's Office suite and offers innovations such as real-time collaboration on documents by up to 15 staff.
- 1.25. A key benefit of the above was the effect that even just this desktop move had on staff. To implement this change the Council had needed to deliver virtually no training; staff loved the system and many were already familiar with it from outside of work. This was contrary to any assumption that local authority staff would lack the skills or motivation to adopt new technologies.
- 1.26. The speed of use and recall of information was particularly notable, for example staff didn't have to think about where to store documents in a

complicated taxonomical file structure but could just search for anything they saved using Google's powerful search function (there was an option to create folders and use tags if users wished). Staff were also finding and creating new ways to collaborate online, and increasing their organisational efficiency as a result.

- 1.27. There were other related benefits too including saving £3m on licenses and system administration, automatic software upgrades, and interoperability regardless of hardware (as it only required access through the Chrome browser).
- 1.28. The Commission recognised, however, that such a cloud-based approach was not without risks. There were questions about security and access to the Public Service Network, however Hillingdon and the Government were at relative ease on the security issue. The Borough had hosted representatives from Government and GCHQ who had observe and questioned what they were planning and had no objections. Hillingdon administers approximately £170m of benefits every year and its access to DWP data was routed a different way to much of the other information on their network. It was explained that security concerns were largely removed from the network and instead were focused on devices and the end user. End user security awareness was being addressed by guidance and some software solutions that prevented restricted information from being shared.
- 1.29. A key difference from Hackney was that Hillingdon did not have a fully developed Document Management System which stored data for the key line of business applications. In Hackney, documents and information from different areas of business are stored in one big pot known as CDM. Hackney launched this system in 2007 and creates approximately 7,000 documents per day in it. Hillingdon had created about 100,000 documents in the cloud to date, which represented about 2 weeks work for Hackney. However, it is probably fair to assume that the quantity of documents created and saved isn't really an issue for a company the size of Google, however a higher number may affect the current storage costs.
- 1.30. Phase 2 of Hillingdon's programme was to gradually migrate its data storage into the cloud whilst at the same time introducing more Google applications like maps. Hillingdon provided some examples where local system providers claimed they weren't able to integrate with a cloud or Google's system. When re-tendering this local system none of the main suppliers made a bid because they claimed it wasn't possible. As a result, Hillingdon called all the leading market players in to the Council, sat them down with their system and someone from Google who showed them in 15 minutes how easy it was, and now it's done.
- 1.31. Hackney is clearly in a very different place from where Hillingdon was in 2011. Hackney has a full Document Management System that is integrated with most of its line of business applications. Any proposal to unpick this integration would be likely to incur excessive up-front costs and major service disruption as it would mean moving line of business applications off of CDM and onto a cloud-based platform in phases. There would no doubt be many

other complications in making such a change if there were interest in Hackney but the cost and complexity of running dual systems during any change period would likely be considerable. However, the levels of motivation and satisfaction in Hillingdon were such that the Commission is minded to suggest that a move in this direction merits exploration at the appropriate stage.

Recommendation 1

The absence of a Corporate ICT Strategy for the Council has led to ground being lost in taking advantage of new technologies. It is also clear from the ICT customer survey that staff satisfaction is low. Setting a clear direction for the future that puts the interests, effectiveness, skills and satisfaction of staff first would be a bold and positive step to take and one that this Commission would fully support.

The Council does, however, a medium-term plan for upgrading key corporate ICT platforms and software. It is important to share the core components of the associated activity plan, and involve as many staff as possible in its design and implementation.

- The Commission recommends that clear, consistent and ongoing messages are provided to staff about the upgrade proposals.
- Governance arrangements for the Corporate Board include scope for specific project teams and staff workshops. It is vital that these are used extensively to inform the “user experience design” of future products. If software and systems are not designed in a way that makes people want to use them, that is a major reason why they don’t work or don’t appear to work well.
- That at an appropriate future point the Council should explore fully the possibility of moving to a more modern desktop and storage platform, learning fully the lessons from Hillingdon’s recent experience.

Innovation, horizon scanning and new digital technology

Internal examples

Virtual Parking Permits

- 1.32. During the course of this review the Commission heard twice from Cabinet Members and Officers working to improve the way that parking permits are sold to residents and monitored by the Council. This project was indicative of many of the things Hackney has aimed to improve through better use of ICT. The aim of the parking permits improvement programme has been to make the system easy to use for customers. New web pages have been launched to simplify the process of obtaining a permit online, including a reduction in the requirement for documentation.
- 1.33. The Council also intends to introduce virtual permits across the borough during 2015, and public confidence in use of the online system is growing.

This was due in large part to the system being more stable, as demonstrated by statistics shared with the Commission: 85% of permits and vouchers were delivered to customers within 3 days and all were delivered in under 5 days, from a previous average of 10 days. Whilst there have been significant problems with this process in the past, the Commission was pleased to note that progress was being made, and was being led by the service area itself.

Civica APPs – Connecting Commercial Waste and Waste Enforcement

- 1.34. A further example of local service innovation using ICT and new technology was seen in the Waste Operations service. In 2013 this project one a UK IT Industry Award for demonstrating the most effective use of collaborative technology, which was achieved by creating a unified Waste Management and Environmental Enforcement system across multiple council service areas. To achieve this required developing an understanding of how hundreds of separate information systems and processes could be brought together into a single, manageable management information system. Its objectives were to simplify and rationalise a host of separately maintained and supported files and systems that had a significant risk and operational efficiency overhead.
- 1.35. Officers spent time with suppliers early in the procurement process understanding how they could create a specification for their ambitions. This dialogue created a point of understanding regarding what was possible to achieve and what was an unrealistic expectation. In total there were three lead officers from the service side and one advisor from ICT's E-business team. The Commission was informed that no additional resources were available for development nor delivery of this project system, neither from the service area nor ICT. One important lesson learnt in this regard was that the more time could be spent on identifying requirements upfront, the better.
- 1.36. By testing the current boundaries of both operational processes and software system functionality the supplier (Civica) and Hackney staff were able to deliver against what was a hugely complex set of requirements spanning multiple services and were able to bring key staff into the expectation setting. These super users would go on to become an integral part of the systems on-going success within the Council. By not being constrained by 'how we always do it' thinking, the two organisations were able to deliver against an ambitious project that, at the start of the process, would have been considered impossible using a single database across such a broad remit as Waste Management, Environmental Enforcement and Licensing services.
- 1.37. The Commission learned that as a result of delivering this project, the Council was able to eliminate its admin backlog and was able to deliver a streamlined service during the London 2012 Olympics. A key saving was the integration of the recycling services into the project meaning that the system was able to support workflow and reporting. There was no prospect of the opportunity cost not being realised from investing in the system but it was not possible to put a pound sign on its potential at the outset.

- 1.38. In that sense it was a bold decision for the Council’s Cabinet Procurement Committee to take. Cllr Demirci, lead Cabinet Member for the service area, noted that although it was hard to attribute savings directly to the product it had undoubtedly led to a better service with fewer complaints and better relationships with businesses. For example, the time it took to process a Commercial Waste contract had reduced from 10 days to 2 days.
- 1.39. Implementing the new system also improved the speed and accuracy of reporting for officers, with no need to use spreadsheets and over 600 hours of officers time freed up per annum. The sharing of information on the system with other enforcement areas including Environmental Health and Trading Standards has brought better business intelligence to the service too. This project demonstrated how collaborative working, with good structures, well set expectations and staff buy-in at every stakeholder level could deliver against an ambitious and challenging objective.
- 1.40. There is also a lot of future scope for further, innovative use of the system in future.
- The next step is for mobile apps to be rolled-out so that crews can enter data onto the system automatically. There is not a big training need here as staff are already very familiar with tablets and smart phones
 - The data produced by the system could, in future, be used to model predictive work and inform strategic decisions
 - There is the potential to display data by ward and no reason why there couldn’t be a public API.
 - By removing ‘dual keying’ onto the system, back office staff can switch from data entry roles to data analysis.

External examples

FutureGov and Surrey County Council

- 1.41. [FutureGov](#)⁴ is an organisation that “works with local authorities to make better public services through the use of elegantly designed technology”. It had started with teaching Councillors how to make best use of social media and since then it had moved on to bigger projects such as client information management in Social Care and rethinking how Councils used ICT to build social capital and design services with citizens.
- 1.42. The Council met with FutureGov’s Founder and Director, Dominic Campbell, who explained that the company is structured in two parts – ‘research and development’ and ‘projects’. An example project was [Patchwork](#) which was being introduced in Staffordshire and Australia. This piece of simple software asked what the relationships were between different professionals who worked with an individual. It used social networking approaches rather than, for example, a huge ICT “spine” that knew everything. Instead it leveraged

⁴ Web site: <http://wearefuturegov.com>

the power of social networks in connecting practitioner-to-practitioner. 48 organisations were connected to Patchwork across Staffordshire.

- 1.43. Another example was Casserole Club which helped people to cook for each other based on a desire to reinvent traditional “meals on wheels”. This service looked to connect people through matchmaking in a neighbourhood. It was being used already in Surrey, Tower Hamlets, and Barnet. Finding diners was difficult as they were not always online but connections could always be made through local community networks.
- 1.44. FutureGov is also involved in embedding innovation internally within local authorities. An example of this is the Shift Surrey project (see below) whereby the County Council had created 4 Google-style rooms in its Town Hall to develop new approaches to service design with a bias towards digital solutions.

Shift Surrey

- 1.45. A [report](#)⁵ agreed by Surrey County Council’s Cabinet in November 2012 led to the establishment of an innovation unit within County Hall known as Shift Surrey. This was as a visually and conceptually new approach to service design and change; an important part of which included taking advantage of the opportunities afforded by digital technology and making this an inherent part of the service design process.
- 1.46. Surrey’s Leader and Chief Executive had looked at the County’s previous approaches to Change Management and found that whilst the authority was good at change, a fundamental redesign would be needed for many services that should be focused around users and making the most of digital technology. A short review of the previous 3 years of change projects revealed 2-3 stand-out examples that incorporated fundamental co-design with service users, enabled by technology. The future strategic approach was set-out to use innovation as a key tool for coping with reduced levels of funding.
- 1.47. The County had worked with FutureGov in the past but these collaborations had not led to any firm changes within the organisation. The November 2012 report to Cabinet set out to change this, looking for large-scale culture change, leadership, and openness to risk. “Shift” emerged as means to deliver this with a role to act as a catalyst and accelerator for change within the organisation. It has been designed to connect physically to the existing service areas and has a remit to mentally challenge the status quo.
- 1.48. Introducing a project of this nature has not been without problems. In some areas there was a degree of cynicism about the space provided and its deliberate focus on “design”. However, Shift was not aiming to replace existing ideas about change but rather to help them grow. It was noted that

⁵ [http://mycouncil.surreycc.gov.uk/documents/s1583/item_08 - Innovation.pdf](http://mycouncil.surreycc.gov.uk/documents/s1583/item_08_-_Innovation.pdf)

being a small team enabled ideas for innovation to be tested and to fail – the term used for this was “sustainable failure”.

- 1.49. Features of the approach pertaining to ICT and technology included:
- not writing detailed specification documents nor approaching major suppliers on government procurement frameworks
 - focusing on the possibilities of light-weight web-based applications that connected to existing systems
 - partnering with an organisation FutureGov which enabled the team to build digital tools themselves
- 1.50. Examples of projects that the Shift team were working on included: care pathway planning and enabling the social capital model for adults; patchwork (connecting different professionals around children’s social care clients) and casserole club (a community approach to meals on wheels). The environmental services team had really embraced the approach and had got on with it themselves without much input from the Shift Team. Groups of Foster Carers had also used the space and a hack day had been held on the premises with local young people and tech organisations.
- 1.51. The Shift team comprised 6 full-time equivalent staff from corporate policy and change programme roles. A further group of service designers and developers were available on call from FutureGov. The two Directors of FutureGov also had a role to challenge and push the Council and interact with senior leaders on that basis.
- 1.52. Service teams were involved in different ways depending on the project and level of need. For example there was already a substantial programme running for Adult Social Care and Shift was running some specific work alongside this.
- 1.53. On the question of funding it was explained that Shift had been asked to connect to the most pressing problems. Shift needed to pay its way but the Commission was told that an explicit approach to ‘return on investment’ would not necessarily help in developing relationships with other service areas. Where they were working alongside existing projects it was also not straightforward to put a value the return offered by input from the Shift team. Tracking of return on investment was light touch at present.
- 1.54. There was also no formal evaluation mechanism but there were six monthly check-ins with the leadership. Work blocks were signed-off at these stages with Cabinet and a “lessons learned” session was held after the first six months. At this stage the Council Leader presented a report to the Council commending the approach and recommended that Shift receive core funding of £0.6m through to 2016/17 using invest to save funding.

Recommendation 2

There is a connection between the experiment taking place in Surrey County Council and the lessons learned from Hackney’s award-winning Waste project with Civica.

Staff involved with the Hackney project told the Commission that the project would have benefited from key staff being removed temporarily from their day jobs at the outset, enabling the service requirements and design to be explored fully. It was explained that this would have led to a better outcome more quickly. This early part of the process is, in many ways, similar to what the Shift project offers to a range of services in Surrey. The Surrey example also has the advantages of being physically removed and different from mainstream service areas, with staff trained in service design techniques and the option for external challenge and advice built-in.

- The Commission is aware that an initial set of service improvement groups have been established for four specific areas, and welcomes this move. The Commission recommends that the approach is developed further, using lessons from Surrey, so that services looking to redesign their delivery model, with potential input of digital technology, can benefit from the early input of change experts and external challenge, as well as colleagues from across the Council.
- The Commission wishes to emphasise the the importance of involving staff and service users in the design of services, including digital and technological solutions.
- The Commission recommends that the Council establish a Digital Advisory Board, comprising local experts from Tech City and other relevant sectors, who could advise the Council on new developments and future strategy. The model for this Board would be the Education Advisory Group which had proved successful at fulfilling a similar role for the Hackney Learning Trust.

Mastodon C and New York City Council

- 1.55. Members of the Commission met with Francine Bennett, Chief Executive of Mastodon C, which is a Hackney-based Big Data company. Mastodon C has become well known for analysing information to propose ways that the NHS could realise potential savings of £200m by improving the approach to prescribing Statins (drugs used for managing high cholesterol levels); this example was featured the Cabinet Office Annual Report and Accounts 2012-13⁶. The discussion with Commission Members was about organisations trying to improve their decision-making through better use of the information they hold and, further, ways to raise interest in the Council about what it might be possible to achieve with more use of its own data. The key piece of advice was not to suggest building a system but rather to find problems and propose alternative ways to solving them. It was important to look for quick wins to prove this concept.
- 1.56. It was noted that if organisations were going to engage in this field they should have some skills in-house as this was more likely to deliver savings further down the line.
- 1.57. In light of the discussion with Mastodon C, the Commission made contact with New York City Council to find out more about the work of its Mayors Office for Data Analytics which has had success with this work. The New

⁶ Web: www.gov.uk/government/uploads/system/uploads/attachment_data/file/225980/HC_15.pdf

York team's mandate is to solve problems and improve services, not necessarily to save money. The work they do stemmed from an initial focus on tackling financial fraud and moved on to improving the scheduling of enforcement activity. This culminated in the now well known [dangerous buildings](#)⁷ example. Since then the team has been approached by different City Agencies to look into problems that need solving. Usually these are cases when more than one City Agency is involved and the work requires as much data sharing as it does data crunching.

- 1.58. Although not charged with saving money the team was confident that improving the accuracy of enforcement activity would save the City at least £2m p.a. from its first few projects.
- 1.59. As with some of the other examples seen by the Commission, this was not strictly-speaking an ICT project but was more focused on the potential of new, lean, digital technologies to add value to existing patterns of work and offer ways to deliver services that can result in sizeable savings as well as improved outcomes.

Recommendation 3

The Commission recommends that a key group of data analyst within the Council should be encouraged to meet regularly and use the approaches highlighted in this report and in the example from New York City (for example, predictive analysis) to help the authority look at new ways to deliver services or find savings.

- 1.60. In light of these examples the Commission has already taken action for the Council by encouraging and advising on its participation in Project Stentor. Hackney is one of three local authorities developing pilots for this project, funded by the Government's Technology Strategy Board. The overall project's aim is to:

"develop a new open-source city data platform that synthesizes, analyzes and maps diverse datasets so that city leaders and decision makers can better understand the dynamics of the places they manage, make joined up decisions to improve quality of life, and create stronger, more resilient cities."
- 1.61. Hackney's pilot is to work with Mastodon C and its partner organisation Social Life to explore the cost and impact of interventions on the Pembury Estate. There is already close working here with the Peabody Trust, which is Landlord for the estate, and an early prototype of the tool being developed is available online at <http://stentor.mastodonc.com>.
- 1.62. Information management, data sharing and the law in this area is presenting some significant challenges to the ambition of this project. The Council's collection, storage and use of data about individuals is governed by the Data Protection Act and Human Rights Act. Regulation in this field is complex and strict; there are many examples of local authorities receiving significant fines

⁷ http://mginternet.hackney.gov.uk/documents/s33600/nycMODA_article.pdf

for misuse of personal data, even if accidental. However the Commission is aware of conflicting signals from Government in this area: on the one hand the Cabinet Office has sponsored and Open Data Institute (based in Hackney) and is encouraging public bodies to share openly as much of their data as possible; and on the other hand it maintains a very tight regime of compliance over the use of public data and access to the Public Service Network.

Recommendation 4

The Commission is sympathetic to the careful risk management being applied by the Council in this field currently. However there do appear to be a number of other local authorities and public bodies that are less risk averse and seemingly more able to share information in the ways described above. OSB has set out these points previously in its work on Transparency and Open Data and we will not re-rehearse those points here. It is worth noting though, that the Peabody Trust has had no problems sharing anonymised data with Project Stentor Partners, and similarly the other Councils involved in the pilot have agreed Data Sharing Protocols enabling the work to go forward as hoped.

- The Council should explain more clearly why sharing anonymised data about service use is more difficult in Hackney than other places.
- The the Council should encourage regional organisations such as London Councils and the Local Government Association to request clarity from Government regarding the apparent tension between compliance with PSN and the drive towards more open data. Particularly in relation to how the Data Protection Act and Human Rights Act are interpreted.

Staff Skills

- 1.63. A report to the Commission in June 2013 cited a handful of examples showing low levels of basic ICT competency amongst staff. Where this exists, and there is no evidence that is widespread, this lack of ICT competency could create an additional burden upon the ICT helpdesk, particularly where employees are unable to resolve basic ICT queries themselves. At the same time it is also clear that some new staff have to de-skill in order to use the outdated platforms and software versions that the Council makes available to them.
- 1.64. The Commission's visit to the London Borough of Hillingdon drew into question any assumption that staff might lack the skills to use ICT software and equipment effectively. In Hillingdon the experience of moving most staff to a cloud-based Google platform, operated through a browser required only a bear minimum of training. This included their email and calendar systems, basic document creation and storage (for example, word processing documents) and more besides. These were systems that staff were familiar with from their use of ICT outside of the Office environment and were comfortable, even enthusiastic, about using at work. Reiterating points made above, it may be that software and systems that are purchased and designed

without the user in mind are more likely to be the primary cause of staff appearing to lack ICT skills, rather than a lack of technical competence in general. In this light, it may not be accurate to suggest that low staff skills are a main reason for high call levels to the ICT Support Service⁸.

- 1.65. To date, there has been no formal learning needs analyses undertaken with employees with regard to their ICT skills so current ICT literacy levels throughout the Council are unclear. The provision of ICT training is not driven by any systematic needs analysis nor does it represent a consolidation of the learning needs emerging from employee appraisal. Courses are described as “demand-led”, and are thus procured in response to users’ requests for specific training throughout the course of the year. A systematic learning needs analysis, as suggested in a report to the Commission from HR, would ensure that training interventions target the right people with the right skills at the right time. However we are not convinced that the time and resources required to carry-out this work effectively would justify the outcomes at this time.
- 1.66. It is also understood that formal testing of ICT skills is not routinely undertaken during the recruitment process, and it is often regarded as sufficient for an applicant to simply declare their competence as part of their written application. It does appear that the current recruitment process fails to consistently test the ICT competency of new recruits. This will need to be resolved in order to maximise the benefits of the existing ICT systems and to also avoid the need to up-skill those employees who should already be fully competent when joining the organisation.
- 1.67. In order to address employees’ current and future development needs a needs analysis would need to be undertaken. This would assist the organisation in understanding what ICT (and related skills) are required; how these are measured within the recruitment process and which specific learning offers need to be part of the corporate programme. However, undertaking a systematic needs analysis is a resource intensive process, and with further reductions in HR & OD staff it is not likely that this could be resourced centrally.

Recommendation 5

The Commission recommends that a more streamlined training offer is made available to staff using screencasts and “youtube” style videos on the intranet. These are already used widely in some areas and are a simple way to show step-by-step how different systems and applications work.

⁸ http://mginternet.hackney.gov.uk/documents/s30553/ITEM5_ictServiceProvision_grsc.pdf (p.10)

Recommendation 6

The Commission recommends that there is a simple interface through which people and businesses with interesting ideas about service delivery can interact with the Council. Members have noted that a lot of good contacts existed within Tech City businesses via the Council's "Regeneration and Delivery" service but it was not clear how those businesses could offer to help the local authority with its own services, even where there was interest in doing so from the sector.

2. MEMBERS OF THE SCRUTINY COMMISSION

Councillor Robert Chapman (Chair)
Councillor Simche Steinberger (Vice Chair)
Councillor Emma Plouviez
Councillor Tom Ebbutt
Councillor Rick Muir
Councillor Deniz Oguzkanli
Councillor Louisa Thomson

Overview and Scrutiny Officer: Gareth Wall ☎ 020 8356 3029

Lead Director: Ian Williams ☎ 020 8356 3003

Relevant Cabinet Member: Cllr Linden

3. GLOSSARY

Below is a list of abbreviations used within this report and their full title.

Abbreviation	Definition
API	Application Programming Interface
CDM	Council Document Management system
HR & OD	Human Resources and Organisational Development
ICT	Information and Communications Technology
KPI	Key Performance Indicator
OSB	Overview and Scrutiny Board
PC	Personal Computer
PSN	Public Service Network
SOCITM	Society of Information Technology Managers
TCO	Total Cost of Ownership
VDI	Virtual Desktop Interface



Governance and Resources Scrutiny Commission 19 th January 2015 Budget and Finance Update	Item No 7
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Outline

Presentation and briefing on the local government settlement and the Council's budget for 2015/16.

Action

The Commission is asked to note the presentation and ask questions.

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Governance and Resources Scrutiny Commission 19 th January 2015 Governance and Resources Scrutiny Commission Work Programme 2014/15	Item No 8
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Outline

Attached is the work programme for the Governance and Resources Scrutiny Commission for 2014/15. Please note this is a working document and regularly revised and updated.

Action

The Commission is asked to consider and note the report and suggest any amendments to its work programme.

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Overview & Scrutiny

Governance and Resources Scrutiny Commission (as at 25 July 2014)

Rolling Work Programme July 2014 – March 2015¹

All meetings take place at 7.00 pm in Hackney Town Hall unless stated otherwise on the agenda. This rolling work programme report is updated and published on the agenda for each meeting of the Commission.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Mon 14 July 2014 Papers deadline: Thu 3 July	Election of Chair and Vice Chair	Chief Executive's	First meeting of newly elected Commission.
	Introduction to G&R	O&S Officer	To note.
	ICT Review	Finance and Resources (Christine Peacock)	To agree final report. Changes requested at April meeting.
	London Living Wage investigation	Chief Executive's	To note Commission's letter to Cabinet Member for Finance on outcome of this investigation
	Finance update	Finance and Resources (Ian Williams)	Briefing on the budget scrutiny process and update on General Fund savings 2011/12-2013/14.
	Work Programme Discussion		To agree a review topic and topics for one-off items for the year.

¹ Please note there will be no Commission meetings in April 2015 because of the General Election purdah period.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Mon 8 Sept 2014 Papers deadline: Thu 28 August	'Public Spend' review – expert briefing	OPM - Sue Goss and Independent Consultant - John Atkinson	Briefing on 'Total Place' to begin scoping of review on 'Public Spend'
	'Public Spend' review – Methodology of Approach to Mapping Total Spend	O&S Team (Tracey Anderson)	Information on the methods of approach used to map total spend
	Impact of welfare reforms on local residents	Finance & Resources (Kay Brown and Jennifer Wynter)	Continuing regular updates on how the Council is responding to local impact of welfare reforms. Joint with CSSI members following up on their own review. ² Both Commissions collaborating.
Mon 13 Oct 2014 Papers deadline: Thu 2 Oct	'Public Spend' review – evidence gathering session	Finance and Resources	Information presented on total public spend in the Borough
	Complaints Service – annual report	Chief Execs Office (Bruce Devile)	Annual report of the Council's complaints service
	Council Governance – scrutiny inquiry	Mayor's Office (Ben Bradley)	Response to additional recommendation from April (proposal for an annual Full Council work programme planning meeting)
	'Public Spend' review – Terms of Reference '	O&S Team (Tracey Anderson)	To agree terms of reference

² G&R received update in Dec 2013. CSSI received update April 2014 and is due to receive another in March 2015.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Mon 10 Nov 2014 Papers deadline: Thu 30 Oct	'Public spend' review – evidence gathering session	Lewisham Council	Information about the Lewisham, Lambeth and Southwark Community Budget Programme.
	Policy Update – Long Term Unemployment	Chief Executive – Corporate Policy	Information about long term unemployment in Hackney.
Mon 8 Dec 2014 Papers deadline: Thu 27 Nov	Cabinet Question Time with Cllr Taylor (Cabinet Member for Finance) TBC	Cllr Taylor – Cabinet Member Finance	Cabinet Question Time is now carried out by individual Commissions. Cllr Taylor has lead responsibility for revenues and benefits, audit, procurement, pensions, and customer services.
	Governance Review	Legal, HR and Regulatory Services (Gifty Edila)	Discussion about the role and responsibility of Corporate Committee.
	Finance update	Finance & Resources (Ian Williams)	Update on the Autumn Statement.
Mon 19 Jan 2015 Papers deadline: Thu 8 Jan	'Public Spend' – evidence gathering session	Various organisations	Information on the current service provision, client group and spend on services provided by the Council and partners for long term unemployed residents in the borough.
	ICT Review Executive Response	O&S Team (Tracey Anderson)	To note the Executive Response to the Commission's review.
	Budget and Finance update	Finance & Resources (Ian Williams)	Budget and Finance update on local government settlement and Council Budget for 2015/16.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Mon 9 Feb 2015 Papers deadline: Thu 29 Jan	Finance update	Finance & Resources (Ian Williams)	Budget and Finance update.
	North London Waste Authority (NLWA)	Community Services Directorate Tom McCourt David Beadle (NLWA)	Update on the NLWA's – covering recent history, proposals and impact.
	'Whole person services' review	O&S Team (Tracey Anderson)	Terms of Reference and service user consultation approach.
	Fees and Charges	Finance & Resources (Ian Williams)	Update on implementation of recommendations
Mon 16 Mar 2015 Papers deadline: Thu 5 March No mtg in April due to general election purdah	'Whole person services' review – evidence gathering session 1	tbc	Evidence gathering session 1
	Council Tax Reduction Scheme	Finance & Resources	Discussion about the scheme
	Work programme for 2015/16 discussion		Discussion on topics for work programme for 2015/16.

Site Visit

Site Visit to LB Lewisham on Tuesday 20th January 2015 – The Commission will talk to London Borough of Lewisham and visit one of their sites for the Community Budget Pilot with London Borough of Lambeth and Southwark.

The following are also to be scheduled:

Public Participation – full review to commence June 2015

The Future Public Servant – full review to commence Jan 2016
Technology and Innovation – full review of Task & Finish
Capital Strategy – full review
Fees and Charges – revisit implementation of recs of previous review
Council Tax Reduction Scheme – one off item
Big Data – major review
Full Council – implementation of recs from previous review – one off

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