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**London Borough of Hackney  
Governance and Resources Scrutiny Commission  
Municipal Year 2015/16  
Date of Meeting Thursday, 29th October, 2015**

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

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<b>Chair</b>	<b>Councillor Rick Muir</b>
<b>Councillors in Attendance</b>	<b>Cllr Deniz Oguzkanli, Cllr Rebecca Rennison and Cllr Nick Sharman</b>
<b>Apologies:</b>	<b>Cllr Will Brett and Cllr Laura Bunt</b>
<b>Co-optees</b>	
<b>Officers In Attendance</b>	<b>Gifty Edila (Corporate Director of Legal, HR and Regulatory Services) and Dan Paul (Head of HR &amp; OD)</b>
<b>Other People in Attendance</b>	
<b>Members of the Public</b>	
<b>Officer Contact:</b>	<b>Tracey Anderson</b> ☎ 020 8356 3312 ✉ <a href="mailto:tracey.anderson@hackney.gov.uk">tracey.anderson@hackney.gov.uk</a>

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**Councillor Rick Muir in the Chair**

**1 Apologies for Absence**

1.1 Apologies for absence were received from Cllr Bunt and Cllr Brett.

1.2 Apologies for officer absence were

**2 Urgent Items / Order of Business**

2.1 None.

**3 Declarations of Interest**

3.1 None.

#### 4 Minutes of the Previous Meeting

4.1 Minutes were approved.

<b>RESOLVED</b>	Minutes were approved.
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4.2 Matters arising

5.1.1 Members referred to the quality check information circulated and the report provided on page 15. Members requested for the Head of Business Analysis and Complaints to return to the Commission to provide more information about the quality checks on service areas and to explain why the percentage of inaccurate record keeping is high.

Members agreed to invite the Head of Business Analysis and Complaints to the next meeting.

<b>ACTION</b>	The Overview and Scrutiny Officer to invite the Head of Business Analysis and Complaints to the next meeting.
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#### 5 HR Workforce Strategy

5.1 The Chair welcomed Gifty Edila, Corporate Director Legal, HR and Regulatory Services and Dan Paul, Head of HR and Organisational Development from London Borough of Hackney to the meeting.

5.2 The reports related to this discussion item are on pages 17 - 128 of the agenda. The key points highlighted from the reports in the agenda were:

5.2.1 Changes to the HR service commenced in 2013. The changes were implemented in 2 phases; the first phase was introduced in 2014 and the second phase 'the new business partner model' became operational from April 2015.

5.2.2 The Council appointed the Head of HR and OD to carry out implementation of the new workforce strategy in the organisation.

5.2.3 The documents in the agenda provided information about the Council's workforce strategy and how the Council monitors both the changes to the workforce and staff morale as services' change and resources reduce.

5.2.4 Through the relevant Cabinet Member and Occupational Health, the health of the organisation is monitored. The new model is fully implemented and following the period of change, the Council has not encountered any increase in external tribunal or grievance cases.

- 5.2.5 HR view their role as helping to explain, amend or lessen the impact of change on the individual. HR are there to make sure the Council has effective policies in place to protect and support.
- 5.2.6 It was reported that HR have a solid relationship with the Unions and employees.
- 5.2.7 The new business partner model strengthens how the organisation manages its staff - the core asset of the organisation.
- 5.2.8 The business partner model provides managers with support for people management. HR introduced the changes with a 12 month transition period and they provided managers with training, development and information about the systems to enable managers to adapt to the change. A piece of work was undertaken to review processes to ensure that all service areas would operate to the “freedoms within a framework” philosophy and reduce unnecessary processes and control systems. This is to enable employees to be innovative in the way services are delivered and give managers the flexibility to operate within the current financial climate.
- 5.2.9 As the number of staff reduce, the skills required will change and the employees remaining will be doing more. Services are likely to need to change and restructure regularly in order to meet the financial and service delivery challenges. It is important throughout the change that the Council continues to support its employees.
- 5.2.10 The employee profile is updated annual and this document is publically available on the Council website. The changes in the employee profile are monitored to ensure the changes are not adversely impacting on one particular group.
- 5.2.11 The last staff survey in 2013 showed that staff morale was good and a new survey is scheduled for May 2016.
- 5.2.12 To date the Council has lost 700 staff. In 2010 the Council opened the voluntary redundancy (VR) scheme and 190 left through VR. Since 2010 staff leaving have largely been via compulsory redundancy. The Council re-opened the VR scheme again and received 582 applications.
- 5.2.13 The report on pages 19-21 of the agenda outlined how staff are supported if they go through the redundancy process.
- 5.2.14 The Council’s aim is to have a workforce that represents the local community.
- 5.2.15 The workforce strategy is under pinned by 5 key themes:
- Service delivery and improvement
  - Organisational and individual development and new ways of working
  - Reward and recognition
  - Equality and diversity
  - Safe and healthy workforce.

5.2.16 The skills based support was previously procured from an organisation based in Stratford. The organisation recently lost its funding and ceased taking new applications. The Council was looking for a new provider and recently procured a new provider.

### 5.3 Question, Answers and Discussion

(i) **Members made the following enquires:**

- a) **Asked for further information about the specific support provided to staff going through the redundancy process**
- b) **Members referred to the loss of 700 staff and enquired how the remaining workload was redistributed; if the workload was redistributed to the remaining staff, Members wanted to know how staff were managing with the extra workload and transition?**
- c) **Members asked what proportion of the 700 staff related to compulsory redundancy**
- d) **Members requested for a breakdown of the ethnicity categories listed in the profile document.**

The Head of HR and OD explained alongside the processes, staff were offered skills based training at an organisation in Stratford. The officer pointed out this organisation had stopped taking new applications and the Council was in the process of commissioning a new skills based programme with Hayes to support staff. The support provided to staff included CV writing, interview skills and staff also had access to in-house courses and one to one consultations. Full details about the content of the programme could not be provided at the meeting. The officer offered to report back with details of the specific support provided to staff on the skills based programme.

<b>ACTION</b>	The Head of HR and OD to report back with details of the full range of support offered to staff on the skills based programme.
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The Head of HR and OD acknowledged there has been an increase in the workload for the remaining staff. It was recognised this cannot continue indefinitely and decisions would need to be made about service provision.

The Head of HR and OD confirmed he would report back to the Commission with a breakdown of the reasons for leaving for the 700 staff.

<b>ACTION</b>	The Head of HR and OD to report back with the breakdown of the reasons for the 700 staff leaving the organisation.
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The Corporate Director Legal, HR and Regulatory Services added the current position of fewer staff with an increased workload is being monitored.

- (ii) **Members enquired if the staff survey asked a specific question about being able to talk to someone. This Members felt would indicate if staff members would seek support if required.**
- (iii) **Members asked about following best practice and enquired if the Council put up posters on information boards.**

The Head of HR and OD advised he would need to check if that specific question was asked in the survey. The officer highlighted the Council has an independent provider for staff to talk to and this is advertised.

The Corporate Director Legal, HR and Regulatory Services informed the Council's counselling service is independent from the Council. In addition to this the Council is monitoring sickness recording to check the health and wellbeing of the workforce to look for signs of stress and anxiety.

The Head of HR and OD advised the ethnicity categories published are the ones used to collect the data. The Head of HR and OD agreed to check if they could provide a more detailed breakdown from the list provided in the report.

<b>ACTION</b>	The Head of HR and OD to check if they could provide a more detailed breakdown of the ethnicity profile from the list provided in the report.
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- (iv) **On page 120 Members referred to the high percentage of staff expressing apprehension about work place atmosphere, workload and work life balance. Member enquired if this was a high priority warning to the organisation about how staff are feeling.**

The Head of HR and OD pointed out this question related to what staff thought would happen in the next year, and advised this was not an expressions of how staff were feeling at that point in time. HR recognise this warning and were encouraging managers to monitor this closely.

- (v) **Members referred to page 110 of the agenda and enquired if the categories listed under this question were looked at under the Council's strategy and performance monitoring.**

The Corporate Director Legal, HR and Regulatory Services informed the Commission in response to comments like this the Chief Executive introduced ideas groups. This has enabled staff from different service area to come together to work across services and directorates to come up with improvements for services. This has helped to address some of the points raised on page 110.

- (vi) **Members referred to the number of people who have left the organisation over the last 4-5 years and queried if this had resulted in service cuts or staff becoming more productive. Members enquired if information was available on staff productivity levels per person.**

**(vii) Members commented the next phase of change will mean cross service working and they were concerned about the report that 44% of staff did not think the Council's culture supported effective working across service areas.**

**(viii) Members queried if the organisation was preparing for the future.**

The Head of HR and OD advised HR would not be able to provide information on individual productivity. It was highlighted that Members were being presented with options on efficiency savings and service cuts.

The Head of HR and OD presented Members with information about how the HR function achieved its saving target. It was noted this was achieved by making a combination of efficiency and service delivery changes. This involved devolving some processes to managers and some processes were automated.

**(ix) Members queried if the Council had an understanding of the cost of each service area and an overview of the impact of the changes across all service areas and staff.**

The Head of HR and OD advised the feedback HR was receiving from service areas indicated it was becoming harder, if not impossible, to make efficiency savings. Service areas were reaching the stage of savings meaning cuts to staffing levels because other forms of efficiencies had been achieved.

It was pointed out the Council has saved £130 million and is required to save a further £60 million.

**(x) Members enquired if the organisation had perceived whether, it had reached the point where efficiencies could no longer be made and to continue to achieve savings they would need to make changes to service provision?**

The Corporate Director Legal, HR and Regulatory Services advised it varied from one service area to service area. Some service areas were communicating that they could no longer make efficiency savings therefore they would have to make alterations to the current service provision.

**(xi) Members asked about the impact of the efficiencies to date on the whole organisation? Members wanted to see information about the impact of the efficiencies to date on the whole organisation and if it had affected the Council's ability to achieve its aims and outcomes.**

The Corporate Director Legal, HR and Regulatory Services informed the Hackney Management Team would report back with information about the impact of the efficiency savings to date on the whole organisation.

<b>ACTION</b>	The Hackney Management Team to provide an update on the impact of efficiencies to date on the whole organisation and the Council's ability to achieve
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	its aims and outcomes.
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- (xii) **Members referred to the recent announcement about the senior management changes in the organisation and queried if Members of G&R should have been consulted prior to the proposals being published.**

Members queried if the new senior management structure would have implications for the political structure and questioned if the political structure needed to be reviewed or aligned with the new structure. In this discussion Member thought the potential implications of the restructure warranted early communication to Members and consultation prior to decision making. Further discussions noted there was a review looking at the support to governance services.

Members commented there was no indication a change was coming. It was thought, a change of this magnitude required consultation with Members of G&R prior to the decision being made. It was noted a briefing session with the Chief Executive for elected Members was offered week commencing 26<sup>th</sup> October but some Members of the Commission were unable to attend this briefing session.

**The Chair asked the officer in attendance observing the meeting to inform Members about the governance review.**

The Project Manager from the Programmes and Projects Team explained the review was not looking at the Council's governance structure or proposing changes to Members' role or the functions of the service areas. The governance review was looking at the resources that support the governance structure to consider how they could be used more efficiently.

The Project Manager from the Programmes and Projects Team explained the senior management restructure was out for consultation and affected officers were being given the opportunity to provide comments on the proposed restructure. Following the consultation period the final decision would be made.

- (xiii) **Members on G&R expressed concern that changes were being made to their support services and structure without prior consultation with the wider group of Councillors.**

The Project Manager from the Programmes and Projects Team explained the project had a Members reference group as representatives of Councillors who they discussed the project with. This group had given some instructions and action for the project to complete prior to proposals being made. The officer assured Members the project was looking at the resources supporting the governance structure not the current governance structure.

The Chair and Vice Chair of G&R informed Members they were on the Members reference group and explained the initial queries entailed providing information about their experience of services and support.

- (xiv) **Members wanted to be reassured the right questions were being asked and that they could feed their views into the Members' reference group.**
- (xv) **Members expressed concern that a number of changes were being made and the wider group of Councillors were not being informed. Members wanted to know how the wider group of Councillors would be involved and consulted in relation to these changes.**

Members agreed to invite the Chief Executive to attend the next meeting to inform G&R about how the wider group of Councillors will be involved and consulted about the changes for the Governance Review.

Members agreed to invite the Chief Executive to attend the next meeting to give a briefing about the senior management restructure and the implications of this restructure on the whole organisation.

<b>ACTION</b>	The Commission requested for the Chief Executive to provide a briefing about the senior management restructure and the implications of this restructure on the whole organisation.
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- (xvi) **Members enquired if managers have been given training and support to carry out the additional duties. Members made reference to frontline staff being given more autonomy. Members asked about the support given to managers and the processes in place to support managers with the decentralised processes.**

The Head of HR and OD informed the Commission they had a transition period of 12 months prior to implementation of the new service model. Training was provided for managers during this period and they arranged a briefing sessions for all managers to attend. In these sessions they communicated the new changes and outlined the process HR would do and the processes managers would be required to do.

HR developed a range of training courses for managers and these training courses now form part of a development programme for managers.

The Corporate Director Legal, HR and Regulatory Services pointed out the workforce strategy makes reference to talented staff and these members of staff have enable the organisation to eliminate waste because their talent and abilities have reduced the need for more staff to cover the same work. It was highlighted that through the scheme of delegation the ability to make decisions is delegated as low as possible and now Planners and Lawyers can sign-off on decisions.



## 6 Delivering Public Services - Whole Place, Whole System Approach

- 6.1 The Chair introduced this item and reminded Members the draft report was circulated for comment. The Chair highlighted in tandem the report was sent to Finance and Legal officers to review the recommendations in the report and provide financial and legal comments.
- 6.2 The Chair asked Members for their comments, queries and amendments. The Chair advised any comments submitted or raised in the meeting would be updated and the report would be agreed at the next meeting on 11<sup>th</sup> November 2015.
- 6.3 The Chair advised he had received comments from Cllr Rennison and Cllr Sharman, these comments were outlined to the Commission.
- 6.4 Members agreed the suggested changes and amendments submitted.
- 6.5 The Chair agreed to make the changes to the report.

<b>ACTION</b>	Chair to amend the report.
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### 6.6 Question, Answers and Discussion

- (i) Members had a discussion about promotion activity for their scrutiny review report 'Delivery Public Services - Whole Place, Whole System Approach'. Members requested for the Communications team to issue a press release to promote their scrutiny report.
- (ii) Members suggested having an article in Hackney Today. Members commented it was important for the public and key stakeholders to know the Commission had identified a set of service redesign principles to assist with developing cost efficient services and that the Council was thinking ahead in relation to austerity.
- (iii) Members discussed holding a round table discussion to promote the service redesign principles with key stakeholders once the report was fully published and the Council's Executive response was received.

<b>ACTION</b>	Overview and Scrutiny Officer to liaise with LBH Communications Team to issue a press release.
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## 7 Devolution and Governance

- 7.1 The Chair introduced this item and referred to The London Proposition document in the agenda.
- 7.2 The Chair informed the Commission he recently attended the Scrutiny Chairs Group meeting where they had a discussion with Mayor Pipe about the devolution proposal for London. From this discussion he noted some devolution areas were more developed than others and some areas may change. However it is anticipated that devolution will happen and is the direction of travel for the future.
- 7.3 The Chair highlighted devolution as the next potential topic for review by the Commission. The Commission discussed completing a review looking at devolution and governance arrangements.
- 7.4 Members commented they were not totally convinced Whitehall had accepted the need to change how services were delivered.
- 7.5 Members commented Devolution seemed to need a sizeable investment and would entail taking on a large proportion of risk before devolution could be agreed.
- 7.6 There was a discussion about the Commission presenting its views on devolution and the implications for Hackney. Members discussed looking at how the redesigning of services in Hackney could benefit from devolution and what the management and governance arrangements for devolved budgets at regional or pan London level would look like.
- 7.7 Members commented the review could look at how public sector service providers would reflect service user need at the 3 possible levels of provision (pan London, regional and local borough level). Members expressed the importance of getting the governance arrangements right and how it would fit with the different accountability structures. It was noted local authorities have a democratic process but other public service providers like the NHS and employment service providers do not. Members were not reassured the pan London discussions to date had worked out the detail of the accountability arrangements and how they would work in practice.
- 7.8 Members outlined the review could cover:
- The approach that should be taken for devolution
  - How the accountability arrangements would reflect the public pound
  - How risk would be managed.
- 7.9 Some reservations were raised about the focus, size and benefit of doing a review on devolution. Members discussed the need for experts to feed into this review and identifying who would benefit from the information in the review. Members agreed they should choose one subject area and look at how other areas as the focus for the review. Members agreed they needed to ensure the review was manageable and would be useful.

**8 Governance and Resources Scrutiny Commission - 2015/16 Work Programme**

- 8.1 Members noted the work programme for G&R is on pages 239 – 246 of the agenda.
- 8.2 The Chair informed Members the next steering group meeting is on 18<sup>th</sup> November 2015 at 6pm.
- 8.3 Members discussed the work programme and made the following comments and suggestions for discussion items in the work programme:
  - Briefing from the Chief Executive at the next meeting about the senior management restructure
  - Discussion with the Communication and Consultation Team about the Hackney a Place for Everyone consultation programme and the Council’s communication plans to inform and engage residents in a meaningful way about the budget setting process and the changes the Council is making
  - Briefing on the work being carried out in services areas on income generation
  - Check with CYPS if they scheduled to receive an update about the operation of the Hackney Learning Trust service model
  - Receive an update on the employment and opportunities cross cutting programme.

Members agreed to the suggestions above.

<b>ACTION</b>	<p>The Overview and Scrutiny Officer to invite the Chief Executive and Head of Communications and Consultation to the next meeting.</p> <p>The Overview and Scrutiny Officer to update the work programme with the listed discussion items above.</p>
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**9 Any Other Business**

- 9.1 None.

Duration of the meeting: 7.00 - 9.15 pm