

BUDGET SCRUTINY TASK GROUP CENTRAL SERVICE AND COMMON FUNCTIONS

8 September 2011, note of informal meeting

Members in attendance: Cllr Chapman (Chair), Cllr Muir, Cllr Munn

Officers in attendance: Martin Calleja (Lead Programme and Project Manager); Patricia Narebor (Head of Commercial, Legal Services); Gareth Wall (Acting Head of Overview and Scrutiny).

Main points noted at close of meeting

- **Strong Member appetite for consideration of more radical options**
- **more transparency required on how costs and structures relate to activity**

1. Introduction

- 1.1. Members agreed to organise a second informal meeting, primarily to consider information relating to Customer Services and any updates to service areas being considered within Legal, HR and Regulatory.
- 1.2. The approach being taken to 'fast track service reviews' was outlined, and it was explained that they were at the mid-point in terms of gathering information and emerging issues.
- 1.3. For each service area, headline information from the report was introduced, followed by comments and questions from Members.
- 1.4. Members made the general point that they were looking for proposals of radical change. These were not generally in the paperwork to date but they recognised the point which the reviews were currently at.

2. Legal Services

- 2.1. Members noted the cost per hour comparison with the competitive external market, but there needed to be a clear indication of hours taken on casework in order to assess productivity.
- 2.2. The service used a case management system manage and measure its workload. Different cases had different degrees of complexity: some cases could take 6 months, others 1 year, and others (such as Woodberry Down) were ongoing. So the information on hours per

type of case was available but was not necessarily a straightforward way of demonstrating whether the service was efficient or not.

- 2.3. Members noted that 60% of the service workload was mandatory and 40% on 'discretionary' areas of work. He asked how directorates instructing legal work were able to judge whether the service they received was value for money if they weren't commissioning it from their budgets directly.
- 2.4. There was discussion of a need to unpick the risk relationship by testing some of the higher volume and higher cost case areas, and talking to directorate clients about the duration of legal work, as well as the appetite and ability to manage some work with less reliance on legal input.
- 2.5. More transparent information would be available to indicate the level of time spend on different categories of legal work.
- 2.6. Looking at the recent history of savings within the service, Members questioned what the impact of reducing staff numbers from 70 to 55 had been and what work was no longer being undertaken as a result. It was understood that the service had reduced the use of agency staff covering fixed-term posts, and processes had been streamlined so that lawyers were working less in isolation.
- 2.7. Members questioned whether the 40% discretionary workload would be more competitively managed by budget holders outside of legal services. Using the example of renewing a commercial property lease, they also challenged whether that would benefit from having challenge from service managers within the system.

3. Governance Services

- 3.1. Members noted that the savings proposals available within Governance Services were not large scale. They questioned the basis of customer service feedback and value for money information. They agreed that rationalising paperwork was good wherever possible – as long as the approach was consistent across the Council.
- 3.2. In light of the emerging issues Members questioned whether it was possible to reduce costs by have some services running Committees themselves. In relation to this they thought that further clarity was needed on what the service did in addition to agenda production and servicing meetings.
- 3.3. Members noted the scope to reduce some committees, or costs associated with them, such as Neighbourhood Forums. However, there would clearly be strong Member interest in any proposal to reduce the number of committees overall.

4. Registrars

- 4.1. It was noted that the service is close to cost neutral outwith service charges. It was further understood that as the service had grown so had the costs. On this basis Members questioned the imperative to increase income further if costs would continue to increase as well.
- 4.2. Using registrars as an example, a general point was raised about shared services with other authorities. Recent research showed that this worked most effectively when organisations were culturally ready for it, but that even at that stage cashable savings were unlikely to amount to more than 5%. The case would need to be very compelling for this. On the basis of 5% possible cash savings the case for shared services would be most appropriate for large scale/cost areas, of which Registrars may not be one.

5. Human Resources and Organisational Development

- 5.1. It was noted that this service would reduce operational support but increase its support to restructuring. So timing the balance of a net position here would be key given the Council would be losing about 200 staff per year.
- 5.2. On questioning about reducing HR costs where services were outsourced, Members noted that there was a balance between higher HR costs (for insourced services) and higher contract management costs (for outsourced services).
- 5.3. Members noted that it was hard to tell whether the service was performing well without clear information on measures and success criteria.
- 5.4. It was noted that there was scope to centralise further to control of training budgets depending on level of use within directorates. There was potential for substantial cashable savings here.

6. Building Control

- 6.1. The non-statutory part of this service was operating in a competitive market and had about 65% of the market share. A number of the bigger jobs had been lost to competition and the overall income base had reduced. Although the service was looking to regain a footing in this market there were risks on meeting income targets in future.

- 6.2. The income target was based on full cost recovery of the competitive element of the service. There was a minimal level of income at which it became untenable to compete in the competitive market. At this point the service could be stopped and the statutory element potentially shared with the another authority.
- 6.3. Members noted with concern that the competitive part of this service was competing with the private sector, charging higher prices for the service, and not meeting its income target. They questioned why the service should continue at all.

7. Licensing

- 7.1. Members suggested that the service should be cost neutral and questioned whether it was possible to substantially increase charges as a way of balancing costs. They also noted that there were a lot of temporary event notices.

8. Planning applications

- 8.1. Before a service review some 18 months ago, costs in this service had been 50-70% higher than elsewhere. This had largely been due to poor investment in ICT and high levels of failure demand. The service had just gone live with new functionality so unit costs were being revisited.
- 8.2. Again, Members suggested that this service should be cost neutral.