
Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee
18th November 2014

Report of the Lead Officer

Review of Corporate Services Utilisation

Purpose of Report

1. To present findings following the request of this Committee on September 4th to assess whether all opportunities to centralise similar responsibilities for a number of functions across Directorates have been taken, or are there services where distinct service issues warrant separate structures.

Background

2. This is the forerunner to a report to the February 2015 meeting of this Committee considering whether the Council is maximising internal opportunities to use corporate trading services as opposed to commissioning external contractors.
3. Both reports were asked to consider the following services:
 - Communications
 - Graphics
 - Print
 - Catering
 - Training
 - ICT

However, Internal Audit are currently embarking on an extensive review of Training (Workforce Development) so in order to avoid duplication, this and the subsequent report will not consider that service.

4. This report has been produced following discussion with service leads on current practice and is written as corporate restructuring, including a reduction in the number of directorates, commences. Such restructuring provides further scope for centralisation of services and closer coordination across the Council.

5. **Centralised Services**

Communications

The current centralised structure has been in place for several years. It incorporates localised support to Directorates in the form of nominated staff. In some cases, divisions have their own specific staff acting as conduits to the communications service. Those staff fully understand what the communications team can offer but also have an in depth knowledge of their own service area.

6. There are, however, examples where directorates have their own designated communications staff. The catering service has a marketing officer, who provides support sold as part of one of two school packages. Schools commented in the past that not enough marketing is done. The officer was a response to those comments and can turn around tailored campaigns very quickly. In a move to allow closer working and benefit both parties, CAPA will be represented at Catering Services business planning event on 19th November. It is anticipated that benefits may include greater opportunities for sponsorship, income generation and use of electronic media.
7. Similarly, Dudley Safeguarding Children Board has an officer responsible for business and communications. The appointment was made recently and the Safeguarding Board has established a Quality and Communications Group. The first meeting will take place in November and again CAPA will be represented. To date, the relationship between the new post and CAPA has developed as outlined in paragraph 5 above.
8. An increase in work relating to looked after children over the next 12 months has led to the trialling of an exercise whereby resources are to be transferred from Children's Services to CAPA. This is an example of how the expertise of a centralised service is intended to be used.
9. There have been no relevant Audit Reports on Communications within the last four years.
10. **Graphics**
The current centralised structure has been in place for several years although the service transferred from Directorate of Urban Environment to Chief Executives in 2013/14 in order to strengthen links with CAPA.
11. There may be some scope for efficiencies through closer working of the graphics team and the marketing officer in Catering Services, already mentioned above. This will also be explored through the business planning process commencing on 19th November.
12. Graphics received a very favourable review covering many aspects of the operation in the last Audit Report received in 2011.
13. **Printing**
The Print Unit is the only internal provider of a print service although it should be noted that staff across the Council have access to increasingly sophisticated printing and photocopying facilities. The current structure of the service has remained unchanged for a number of years.
14. Given the move to electronic media it is not surprising that, in recent years, the amount spent corporately on printing is reducing. However, an endorsement of the centralised service is that a greater proportion of that spend is within Print Services.
15. Print Services received very favourable reviews covering many aspects of the operation, including VFM, in the last two Audit Reports received in 2013.

16. **Catering**

The catering service cannot be considered without regard to school meal provision. That forms such a major part of the business that other catering would not be feasible without the infrastructure required to support the schools service. Other than schools the Catering Service has units at Himley Hall, Members' dining room, Saltwells, Astley Burf and six units in DACHS. The service offers management only in children's homes.

17. There is a catering outlet at Crystal Leisure Centre staffed by Leisure Services. In the past this has been operated by Catering Services and more recently an external provider. In April 2014 the Leisure Centre took responsibility for the whole catering operation for two reasons:

- The arrangement with the external contractor was not financially beneficial to the Centre.
- The potential for outsourcing the management of public leisure centres is less complicated if contracts with third party suppliers are reduced to a minimum.

18. An exercise to consider options for alternative management arrangements for public leisure centres is underway. Potentially outsourcing of the function could be being recommended in the early part of 2015/16 with a view to delivering a significant financial saving to the Council while retaining provision.

19. Given the circumstances it seems reasonable to maintain a separate structure for catering at the leisure centre.

20. In May 2014, Catering Services received an annual assessment and accreditation from the Institute of Hospitality. The score achieved was 74.7%, the minimum score for accreditation is 60%, the average score for accreditation is 71.4% and the highest score in an organisation similar to Catering Services is 76%.

21. **ICT Services**

In 2012 Corporate Board approved the consolidation of centrally and locally based ICT support across the Council in order to introduce a unified single I.C.T Services for the Council, reduce the total cost of service delivery, and make service enhancements where possible within the re-shaped organisation.

22. Two phases of consolidation have now taken place, with the transfer of budgets for hardware support and maintenance and acquisitions, and the transfer of directorate based IT staff into the central IT division.

23. Directorate based IT staff have remained physically located within the business areas that they support.

24. Although governance of the team is now through I.C.T. Services, the directorate IT teams remain located within the directorates, dedicated to the business area that they are located in, and continuing to provide support to the development of systems.

25. Directorate budgets for third party business systems have remained unconsolidated.

26. Posts and activities are being reviewed, to identify what works best when located in close proximity to the user and what can be delivered more effectively from a central point.

27. While much consolidation has taken place, there are still pockets of IT support outside of the centralised structure and work is ongoing to bring such teams into the centre.

28. **Areas of Current Good Practice**

Where relevant and available, reference to Audit Reports or industry standards have been cited to indicate the high level of service provided by the centralised services discussed.

29. The centralisation of Communications, Print Services and Graphics facilitates close working of those related services for the benefit of all and their users.

30. There are examples of joint working with directorates particularly in IT and Communications which show the benefit of localised support where the service allows.

31. There is some commissioning of external work through and with the advice of centralised services in instances when work cannot be completed internally for whatever reason. This utilises the expertise and knowledge of the service held centrally.

32. **Areas for improvement**

Service Leads for Communications, Graphics and Printing acknowledged work may be being undertaken within the Council of which they are unaware but which would benefit from their input. This is a point acknowledged in Audit reports.

33. There may be work being undertaken by external providers which could be provided within the Council, in line with Standing Orders. It is possible that not all such work could be carried out within the Council. However, in those instances commissioning through the centralised service would provide a number of advantages to the Council. These issues will be addressed in a report to the February meeting of this Committee.

34. It is acknowledged by service leads that web development is an area of work requiring greater coordination and, possibly, centralisation. At present work is carried out in Communications, ICT and some service areas. A meeting, initially involving Communications and ICT is to take place on 7th November to scope this particular problem.

35. The close working relationship of Graphics, Print Services and Communications is not helped by the location of the Graphics team at Mary Stevens Park. There is ongoing discussion to resolve this accommodation issue.

Finance

36. There are no specific financial implications arising from this report.

Law

37. Scrutiny Committees are established in accordance with the provisions of the Local government Act 1972 and the requirements of the Council's Constitution, which was adopted under the Local Government Act 2000, subsequent legislation and associated Regulations and Guidance

Equality Impact

38. There are no specific equal opportunity issues arising from this report

Recommendation

39. It is recommended that:-

- The Committee comments on the issues in this report
- The Committee acknowledges this report as part of a two stage review
- The Committee confirms any additional issues raised in this report for consideration in the second stage of the review which will look at instances of external contractor use for corporate services.



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List of Background Papers: Nil