

Support Services Briefing 2019

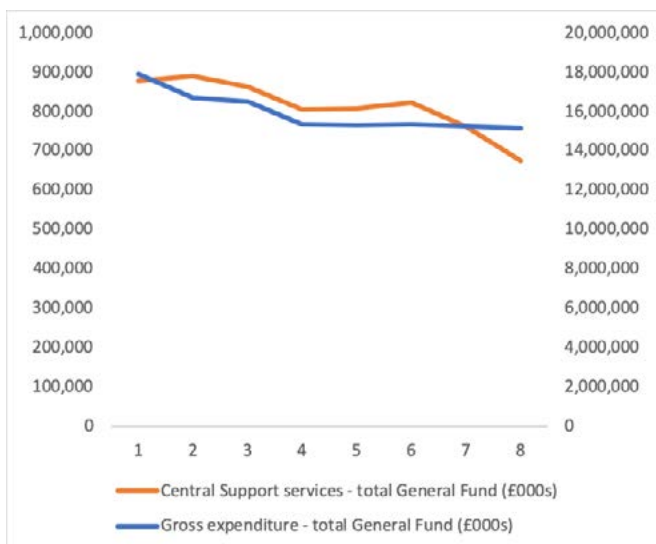
Corporate support services within councils cover a wide range of functions including finance, human resources, corporate management, payroll legal services and a number of other corporate functions.

Support services play a key role in supporting the delivery of the council's strategic objectives, including:

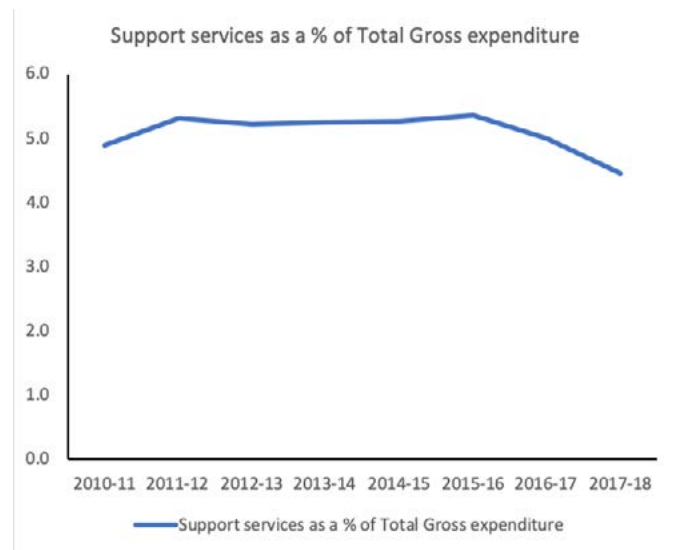
- Contribution to delivery of key front-line services
- Facilitation of change & transformation programmes
- Provision of data intelligence to understand, target and improve services
- Capacity building for local communities and businesses
- Promoting resilient local economies through tendering, procurement, investment, and recruitment,
- Promoting digital transformation, literacy and acces
- Ensuring legal and regulatory compliance

For standardisation purposes, support services are represented as a % of total gross revenue expenditure in the benchmarking framework. The figure has remained around 5% across the 8-year period. In 2017/18 the Scottish average was 4.5% compared to 4.9% in 2010/11, although there has been fluctuation across the period. The reduction between 2010/11 and 2017/18 reflects a 23% reduction in support costs in parallel with a 15.4% reduction in Total General Fund. This both reflects councils' commitment to protect front-line services over 'back office' functions and the maturation of councils' digital strategies. It is also possible an element of this significant reduction is due to improved reporting following refined guidance in relation to the treatment of support costs within the financial return.

Support services spend vs gross expenditure



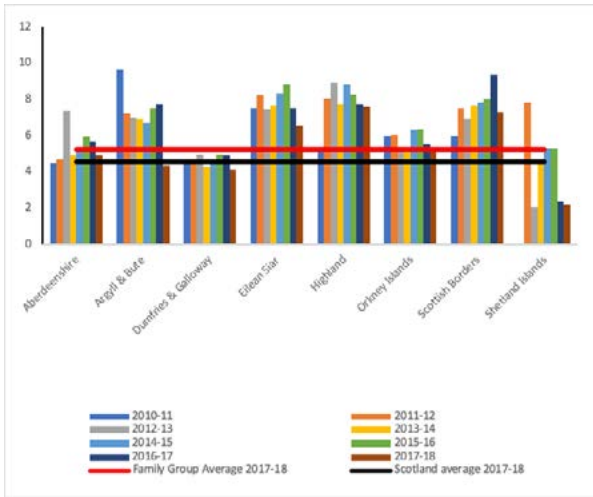
Support services as % of total general fund



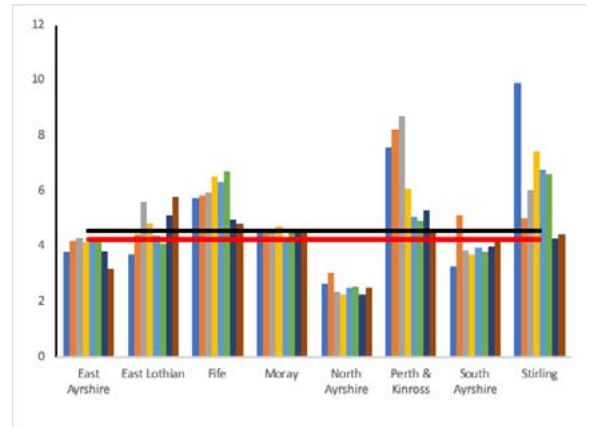
Variation

There is significant but narrowing variation between councils in Support Service expenditure. The proportion ranged from 2.2% to 7.7% in 2017/18 with notable differences between urban, rural and semi-rural councils, although these were not statistically significant.

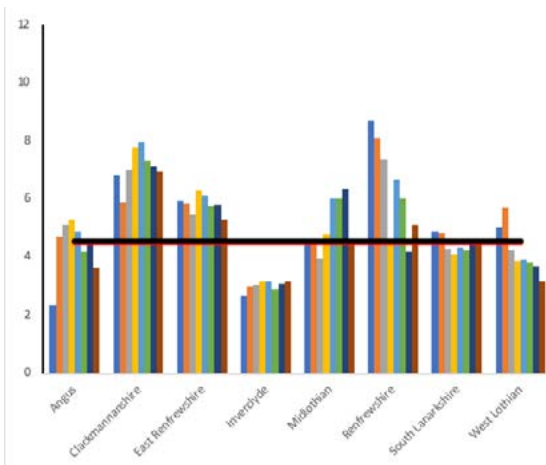
Family Group 1



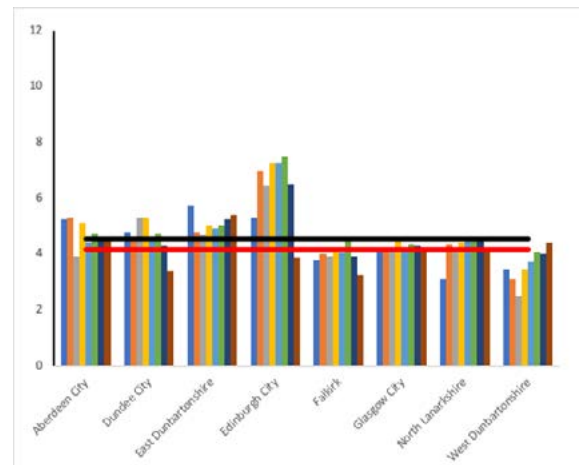
Family Group 2



Family Group 3

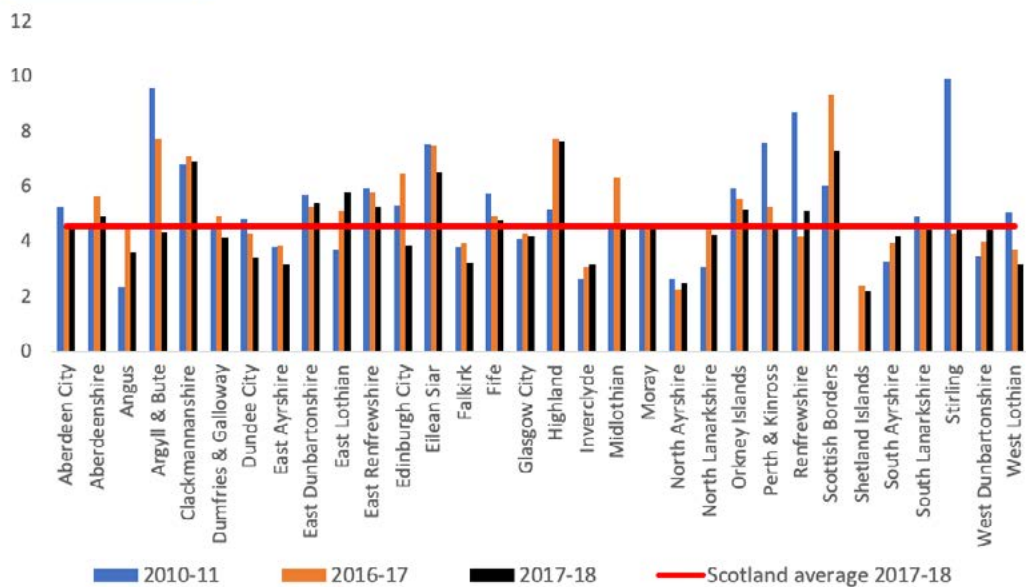


Family Group 4



Range = 2.2 to 7.7

Support services as a % of Total Gross expenditure



Work in family groups has identified the following factors as important in interpreting the variation locally:

- The way support services are structured
- Asset management
- Level and type of staffing
- Level of automation and digitisation

- Use of data intelligence to target efficiency savings or make improvements
- Political/strategic priorities
- What is included locally within support services costs

Sharing Practice: 2019 Benchmarking event

Centralisation

In **Fife** all support services and business support functions have been centralised. There have been significant financial savings, and processes have become aligned and streamlined. Lessons were learnt around the importance of preparing services for changes by providing training, and by implementing any changes gradually. **Midlothian** created an integrated service support service a few years ago, focused mainly on administration. There is a generic, central team, split into four groups to cover different transactions and processes, including schools staff and revenue staff. Feedback highlighted the need for appropriate resourcing of staff to ensure services are running efficiently and at full capacity. **Renfrewshire** created a similar business support function with their administrative staff, resulting in financial efficiencies. In **North Ayrshire** the majority of support services are centralised with finance being centralised in 2012. Learning from this process highlighted the importance of support and training for staff to ensure they feel confident in new roles. Some new posts are created with aspects of business support built in. This may prove challenging to capture in benchmarking as some information may get missed and not pulled into the Local Financial Returns (LFR). When **Clackmannanshire** Council centralised business support they engaged with all services to identify what they needed, so designed the process well. They arranged for staff rotations to help everyone know what happens in each service area.

Argyll & Bute centralised many of their support services around 2010/11. The main driver for this was improving the council structure and efficiency. Health and safety, learning and development and HR were covered by this shift. There has been a recent redesign of the HR service. Some activities have been pushed out to the services and managers to perform, such as recruitment – while HR still maintains overall ownership of the process and IT systems. The council and NHS Highland are currently preparing for cross-organisation working / co-location for HR. This is thought to be particularly beneficial for supporting the Health and Social Care Partnership (HSCP). The aim is for a more efficient HR service which will also deliver indirect cost savings. **Dumfries and Galloway** agreed in 2016 to centralise services and are now onto phase 2 of this work. They are now looking to centralise purchasing to pay, bringing this from 5 different services to 1. In **Scottish Borders**, all support services are being centralised. There is now a two-team system for administration, one team is people based (SEEMiS etc), and the other is place based (call confirming). They also have centralised project management, procurement and finance, and corporate landlord. This involves consolidating all Property & Asset functions and competencies under a single corporate landlord service to enable a more consistent and efficient approach to the management of our property and assets (source - <https://scottishborders.moderngov.co.uk/documents/s22495/Item%20No.%205%20-%20Corporate%20Transformation%20Progress%20Report.pdf>).

Outwith support services, **Scottish Borders** now uses Arms-Length External Organisations (ALEOs) for social work, care first, and care function (which includes homecare and care homes). In the past **West Dunbartonshire** centralised HR and procurement. They highlighted that the total numbers of staff in procurement has increased because of the focus on spend to save. They have also written processes for public engagement, including consultations. They are also pulling together council events and key dates, as well as similar from Police and HSCP, to consolidate an engagement calendar. The aim of this work is to try and make the information more cohesive so that staff can find the information without having to ask for it.

Dumfries and Galloway are focussed on centralising admin services, first by looking at general admin and then more specialist. **West Dunbartonshire's** administration services have been centralised. From their experience, West Dunbartonshire noted that centralising all admin can lead to staff leaving because they don't feel that they are developing, or they are unhappy that their role has changed. **Stirling** have had centralised services for a while but reflected that this does not always result in the most efficient service, as staff covering areas they are not familiar with will take some time to adjust. Stirling recently reviewed their admin support but the cost of changes to the services would not necessarily be worth the savings.

Using Data

West Dunbartonshire have set up a data centre with **East Dunbartonshire**.

West Dunbartonshire is also working on creating a West Dunbartonshire data page. The page shows West Dunbartonshire in numbers, using for example census data, Scottish Index of Multiple Deprivation (SIMD), and Joseph Rowntree Foundation data. West Dunbartonshire has also worked with What Works Scotland to have area statistics for 17 community council areas (<http://whatworksscotland.blogspot.com/2016/11/making-data-meaningful-in-west-dunbartonshire.html>). The page is to make sure that the organisation is consistent when quoting statistics and aims to help managers have data for report writing and funding proposals.

Workforce (Welfare and Changes to)

North Ayrshire are on a journey of staff empowerment, with their management development programme generating ideas from the service, not from the top. Sessions are held for staff to share their ideas around how to improve; the council utilise the knowledge of service based staff to develop and inform change projects. It is important to manage relationships between employees when making changes, making sure engagement takes place between services, or between business support functions and services they support.

Midlothian are starting to look at developing a Menopause Policy and asking various councils for examples. There are some examples of the support available to women going through the menopause, with **Highland** noted as having a particularly good policy. This policy will look in particular the subject of flexible working, which can be an issue as different service areas have different requirements which may restrict the amount of flexible working available to staff.

As part of its 5-year programme of transformation, called Fit for 2024, roles within **Scottish Borders** are now more flexible and more changes are to come. Consultants have started in May 2019 and will look at the vision of the future. (<https://scottishborders.moderngov.co.uk/documents/s34249/Item%20No.%204%20-%20Fit%20for%202024%20report.pdf>)

Automation

Renfrewshire have introduced a new Enterprise Resource Planning (ERP) system which will allow managers to self-serve, run reports on leave etc. However, many are still using old systems, because they don't have trust in the new system. For example when buying leave, this can't be added on to the system, which results in people having to keep a separate spreadsheet. This all leads to unnecessary duplication. Renfrewshire recommended the need for more business analysts to be involved in driving efficiencies in council processes. It is important to clearly map out processes and advise on the best ways forward. A skills base is required to be able to do that, embedded in any attempt at change. Future proofing is required too, with some forward projections required to ensure new electronic systems can be amended in the future to make them fit for purpose.

North Ayrshire implemented a new finance system, but there were teething problems. The efficiencies anticipated haven't come to fruition, meanwhile some posts were have ended which has placed increased pressure on services. It was noted that systems should be allowed to settle in first prior to releasing any posts which are identified for savings. For example, **Clackmannanshire** gave themselves a year for implementation of a new finance system which was very complex.

North Ayrshire noted that for regular tasks self-service can be effective, but if it's something that you do once a year, or every so many months, then the efficiency drops markedly. For example, if you only do recruitment once every few years then it can take so much longer to do a task, or calculate the pro-rata wages and holiday entitlement for someone returning from maternity leave. The same might also apply to procurement if you don't carry this out very often. HR and Procurement teams might be too small to provide the support required for managers/team leads to do this.

Managers at **Dumfries and Galloway** are being encouraged to do more self-service, for example booking cars and answering phone calls, in order to reduce the workload of and better use the time of administrative staff. Self-service approach to payroll, purchasing, and absences are also being looked at in Dumfries and Galloway.

Asset Rationalisation

There were a mix of experiences across the councils in regard to asset management/rationalisation. **North Ayrshire** recognised that having more services in one building is helpful for building relationships and information sharing. Co-location can really help with sharing information and expertise and it's nice to have ongoing engagement. For **Edinburgh**, hot desking has the potential to be detrimental to relationship building, because some people have to sit quite far away from their teams depending on when they get to the office. On the other hand however, hot desking can also help build relationships as employees from different teams can sit together in different combinations. If people move around then it also reduces the chances of departments working in silos, isolated from one another.

Structural Shift

All the councils highlighted leadership as important to change and to shift the culture. When changes are being introduced a lot of employees will be resistant and want to keep using their existing processes. For example, **Midlothian** Council introduced a new system for performance information, but some managers avoid using it, even though they are provided with support to use the system. Some employees want their own local area to use their own spreadsheets of performance information. Leadership is required to clearly set out the kind of organisation the council wants to be and how they are going to achieve this.

Values and behaviours are integral to this work which needs to be driven from the top – integrity and transparency are needed. Change is unsettling so this needs to be managed too. Take the time to invest in and promote the culture, to live and breathe it.

Challenges/Other Issues

Knowledge transfer came up often in conversation, with expertise seen as 'walking out of the door' when rationalisation has happened and the older/more experienced workforce has taken early retirement. More processes need to be put in place to attempt to facilitate knowledge transfer when employees leave.

Clackmannanshire feel that often there are no knowledge management arrangements. There is a need to have systems documented to be able to transfer information and processes over. Sometimes it's not a bad thing to help change processes, but for young, inexperienced employees, they don't have background knowledge to engage effectively.

Business support, which has commonly been centralised, is largely the admin function. However, the workload does not initially reduce – other people take it on. For example, instead of having a minute taker, a service manager/senior manager is taking their own minutes while chairing meetings.

Asset Rationalisation

Scottish Borders' grey fleet has significantly reduced and the new Borders railway has significantly helped to reduce car expenses to Edinburgh. **Stirling** has already done work to manage their pool cars. They are now looking to cut down the fleet but as this is not part of a centralised budget there may be some challenges to this.

West Dunbartonshire has heavily invested in electric cars and **Scottish Borders** have hybrids. **Stirling** also have hybrids and a few smart cars. **Stirling** do not give staff requesting a car a choice in which car they get. **Stirling** has invested in mobile libraries because so much of their council area is rural. **Scottish Borders** suggested that mobile libraries could be used as councils on wheels. Neither **Scottish Borders** or **Stirling** have used mobile libraries in this way, although there was a proposal that **Stirling** could use mobile libraries to take some pressure off home care services; for example, by stopping in a rural area for a few hours and offering teas and coffees to create a socialising or befriending aspect to the service.

Dumfries and Galloway are looking to use schools as libraries. In rural areas, schools can be centre of communities so people can get books from the school, or use the sporting facilities for clubs and community events.

Scottish Borders highlighted that admin is not necessarily a corporate service. Within schools in the **Scottish Borders** there is a clustering system. There is a business manager within the high school who manages admin for that high school and for its cluster schools.

Income Generation

Dumfries and Galloway and **Stirling** are looking to sell off buildings. Stirling would like to better maintain the buildings they do use and Dumfries and Galloway are looking to rent out more.

West Dunbartonshire have sold Equality and Diversity training to other councils and would look to do this again. While this hasn't generated a lot of income, it has helped to keep the skills in Scottish local government, rather than looking for training in the private sector or elsewhere in the UK where policy differs. West Dunbartonshire highlighted that they are in a sweet spot of having a lot of experience and expertise that hasn't yet left the organisation so this is a way of knowledge sharing and investing in staff.