

The Inverclyde CouncilThursday 15 December 2011 at 4 pm

**Present:** Provost McCormick, Councillors Ahlfeld, Blair, Brooks, Clocherty, Dorrian, Fyfe, Loughran, MacLeod, McCabe, McCallum, McIlwee, McKenzie, Moran, Nelson, Osborne, Rebecchi, White and Wilson.

**Chair:** Provost McCormick presided.

**In attendance:** Chief Executive, Corporate Director Community Health & Care Partnership, Corporate Director Education & Communities, Corporate Director Regeneration & Environment, Chief Financial Officer, Head of Legal & Democratic Services, Head of Organisational Development, HR & Performance, Legal Services Manager (Licensing, Litigation & Advice) and Corporate Communications Manager.

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**822 Apologies and Declarations of Interest**

An apology for absence was intimated on behalf of Councillor Grieve.

No declarations of interest were intimated.

**823 Operating Model Review**

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There was submitted a report by the Chief Executive (1) on the issues associated with the delivery of the Operating Model project which formed part of the Council's Transformation Programme and was one of the Council's 24 savings workstreams which had specific savings targets attached and (2) making recommendations on the most appropriate way for the Council to progress the modernisation of the Council's work in these service areas, together with replacement appendix 2 to the report.

After discussion, Councillor McCabe seconded by Councillor Clocherty moved that the Council:-

- (1) note the content of the report;
- (2) note the successful parts of the Operating Model are scheduled to deliver recurring savings of £1.257 million per annum;
- (3) note that despite the difficulties with the delivery of the Operating Model, the overall workstream savings target for the Council is expected to be delivered in full;
- (4) note the suspension of the development of the Operating Model project until the outcome of the Clyde Valley Shared Services Project is known and, in parallel, detailed and careful consideration of the findings of the Civica report can be undertaken in partnership with the Trades Unions via the Joint Budget Group during 2012/13; and
- (5) that the Chief Executive arrange for a review of the Council's current HR policies related to disciplinary and appeals processes and submit a report to the Policy & Resources Committee as soon as practicable for Members' consideration.

As an amendment, Councillor Nelson seconded by Councillor Blair moved that the Council:-

- (1) note with concern the content of the report;
- (2) note in particular the shortfall of £2.42m in the savings target of £3.83m;
- (3) instruct the Chief Executive to prepare a Supplementary Report dealing with outstanding issues including:
  - (a) failure of effective communication among officers involved in the Operating Model

project and recommending steps to be taken to ensure no repetition of this;

(b) clear analysis of causes of failure to deliver Phase 2 of the Operating Model including the issue of whether or not it was deliverable in the planned timescale and give conclusive proof that had Phase 2 been allowed to continue it would not have delivered benefits to the Council;

(c) the full effect of the voluntary severance scheme on Phase 2 of the Operating Model and how changing staff numbers through voluntary severance were factored into Phase 2 of the Operating Model as it progressed up to December 2010;

(d) clarification of the value to the Council of the work done by Consultants involved in the project and also clear explanation as to the increased reliance the Council presently has on such Consultants. It should further clarify exactly what PWC were contracted to carry out for Phase 2 of the Operating Model and from a value for money perspective how much of this advice was acted upon; and

(e) details of any investigations carried out prior to suspensions in January 2011 and total costs involved in the associated HR processes to date;

(4) agree that the Supplementary Report be prepared and submitted within 8 weeks; and

(5) agree that the Chief Executive arrange for a review of the Council's HR policies relating to disciplinary and appeals processes, this subject to there being no prejudice to the rights of Council employees arising from this.

On a vote, 7 Members voted for the amendment and 11 for the motion which was declared carried.

**Decided:** that the Council:-

(1) note the content of the report;

(2) note the successful parts of the Operating Model are scheduled to deliver recurring savings of £1.257 million per annum;

(3) note that despite the difficulties with the delivery of the Operating Model, the overall workstream savings target for the Council is expected to be delivered in full;

(4) note the suspension of the development of the Operating Model project until the outcome of the Clyde Valley Shared Services Project is known and, in parallel, detailed and careful consideration of the findings of the Civica report can be undertaken in partnership with the Trades Unions via the Joint Budget Group during 2012/13; and

(5) that the Chief Executive arrange for a review of the Council's current HR policies related to disciplinary and appeals processes and submit a report to the Policy & Resources Committee as soon as practicable for Members' consideration.

**It was agreed in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 as amended, that the public and press be excluded from the meeting during consideration of the following item on the grounds that the business involved the likely disclosure of exempt information as defined in paragraphs 1 and 11 of Part I of Schedule 7(A) of the Act.**

#### 824 Report Relating to Review by Civica

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There was submitted a report by the Chief Executive providing an overview of the work carried out by Civica as a key component in the review of the Operating Model, their role being to provide an independent assessment of the ICT infrastructure, various applications owned by the Council and existing processes and to identify future possible efficiencies and the best use of the remaining Operating Model earmarked reserves, and the resultant findings.

**Decided:**

(1) that the content of the report be noted;

- (2) that approval be given to the further development of the savings identified by Civica via the Corporate Management Team and Joint Budget Group during 2012; and
- (3) that it be noted that further reports with detailed savings proposals will be brought before the appropriate service committees for Members' consideration and approval in advance of the 2013/15 budget process.