

EMPLOYMENT COMMITTEE	AGENDA ITEM No. 6
5 SEPTEMBER 2024	PUBLIC REPORT

Report of:	Cecilie Booth, Executive Director of Corporate Services and Section 151 Officer
Cabinet Member(s) responsible:	Councillor Mohammed Jamil, Deputy Leader and Cabinet Member for Finance and Corporate Governance
Contact Officer(s):	Julian Patmore, Service Director – ICT & Digital Mark Sandhu, Service Director - Operations

SERVICE INTEGRATION FOLLOWING TRANSFER IN OF SERVICES PREVIOUSLY PROVIDED BY SERCO

RECOMMENDATIONS	
FROM: Julian Patmore / Mark Sandhu	Deadline date: 9 September 2024
<p>The Employment Committee is recommended to consider the outcome of the review and agree that formal consultation should commence regarding the proposals.</p>	

1. ORIGIN OF REPORT

1.1 This report is submitted to Employment Committee following referral from the Corporate Leadership Team (CLT) on 20 August 2024.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to seek Employment Committee approval to implement the findings and recommendations set out in reports from consultancy firm 31Ten (business support) and an internal review (customer services), with a view to transform these services which were previously outsourced to Serco. The reviews cover employees within both ex Serco services and existing Council services.

3. TIMESCALES *[If this is not a Major Policy item, answer **NO** and delete the second line of boxes.]*

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
---	-----------	----------------------------------	--

4. BACKGROUND AND KEY ISSUES

4.1 In late December 2023 agreement was reached to end the Peterborough Serco Strategic Partnership (PSSP) and return all services back to the council from 1st April 2024.

282 Serco staff delivering customer services, business support and shared transactional services were successfully transferred under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) to the council on the 1 April 2024.

4.2 A programme of works was established to manage the returning services, ensure a seamless transfer and integration into the council's wider transformation activities. The programme is being managed as four work streams:

- Business support
- Customer services
- Revenues & benefits
- Accounts payable and accounts receivable

Business support

4.3

Over 50% of those who transferred to the council in April 2024 work in business support, which includes support for general administration, Payroll, transactional HR, Legal and Personal Assistants. The council appointed 31ten Consulting to support this work stream, and to provide a Target Operating Model to deliver streamlined services to be delivered in-house.

To ensure the savings opportunity is maximised, 31ten was asked to include all existing council staff who are involved in business support activity as well as the staff who had recently transferred in from Serco.

The discovery phase of the work undertaken by 31ten was completed in August and proposes a new blended model of business support which provides both transactional and specialist support through the creation of four hubs; Specialist, Transactional, Executive support and Transformational.

The new model is designed to introduce more modern ways of working and to reduce manual processing through increased automation, process redesign and policy changes. The structure of this future model is anticipated to be fully implemented by 31st March 2025. The new Target Operating Model is expected to deliver savings of between £1.3 and £3.7m when fully implemented.

4.4

Customer services

Customer Services is currently distributed across multiple departments, and it has been difficult to establish the exact number of access points and exactly what the customer experience is. An internal review has been completed, this review recommends a full consolidation of all aspects of customer services and proposes a brand new Target Operating Model to meet current needs of the Council. The proposed new model will provide a single, streamlined customer service hub with a more efficient operation through improved IT systems and cross-skilled staff. This transition will generate savings of £0.5-£1m (excluding ICT investment).

4.5

Revenues and benefits and accounts payable and accounts receivable

The revenues and benefits service compares favourably with other local authorities in both collection rates and speed of processing benefit claims. The focus of this work stream to date has been to review and increase net collectible local tax. Automation is also being considered, as is closer work with housing, to ensure available support is best targeted.

The review of Accounts Payable and Accounts Receivable focuses on integration into the Finance and Procurement services, with improved debt collection and automation opportunities. It is not currently envisaged that any material team size reductions will be delivered through either of these work streams, however, improved income collection and reduced debt levels will of course be beneficial to the Council.

The implementation of the recommendations in the 31Ten review and the Customer Services review will mean a significant reduction in staffing levels in these areas, the exact number of reductions will be identified as the recommendations are implemented. It must be noted that it is essential the savings identified in this report are realised to help to mitigate the financial pressures identified in the Medium-Term Financial Strategy.

Next Steps:

4.6

Subject to Employment Committee approval, work will commence to implement the new Target Operating Model. This will start with a staff consultation with all post-holders identified as being 'in-scope', and the identification of redeployment opportunities into vacant post in high priority areas. There will likely be redundancies, but every effort will be made to protect staff currently in post, and to minimise redundancy costs to the Council. Unions are aware and will be fully engaged, throughout the consultation and implementation phases.

5. CORPORATE PRIORITIES

5.1

Sustainable Future City Council

- How we Work
- How we Serve
- How we Enable

The Sustainable Future City Council operates with a commitment to environmental stewardship, social equity, and economic vitality. Through collaborative efforts, the council works to implement innovative strategies that address the challenges. Serving the community involves engaging with citizens, businesses, and various stakeholders to foster a shared vision for a sustainable future. The council enables progress by providing resources, guidance, and policy support that drive sustainable practices across all sectors of the city. This holistic approach ensures that the council's actions today contribute to a thriving, resilient, and inclusive city for generations to come.

Implementing the actions from this report should decrease the council's carbon impact as there will be fewer people employed to the council, reducing air conditioning, travel and the amount of IT needed. It will have negligible impact to the overall city.

Further information on the Council's Priorities can be found here - [Link to Corporate Strategy and Priorities Webpage](#)

6. CONSULTATION

6.1

Formal consultation will commence following Employment Committee approval

6.2

Trade unions will be consulted throughout this process.

6.3

This recommendation has been discussed with:

- Corporate Leadership Team (CLT) – 20/08/24
- JCF 20/08/24
- Cabinet Policy Forum – 21/08/24
- Group Leaders' Meeting – 21/08/2024

7. ANTICIPATED OUTCOMES OR IMPACT

7.1

Implementation of the recommendations in the 31Ten and Customer Services reviews.

8. REASON FOR THE RECOMMENDATION

8.1 To deliver savings required to balance the budget and reduce the gaps in the MTFS.

9. ALTERNATIVE OPTIONS CONSIDERED

9.1 The Council's financial position requires savings to be delivered and if not delivered from within these areas would need to be delivered elsewhere.

All services have a duty to continuously review service delivery to ensure delivery is cost effective, affordable and delivering best value.

The status quo is not an option due to the need to deliver financial savings and to modernise the services.

10. IMPLICATIONS

Financial Implications

10.1 The indicative savings are in the range £1.8 to £4.7m.

Legal Implications

10.2 We have a legal obligation to consult with staff under The Trade Union and Labour Relations (Consolidation) Act 1992 regarding the above proposal, which we plan to do over a 45-day period, consulting collaboratively with recognised Unions and Employees. We recognise that some of the affected staff were transferred to the Council under TUPE in April 2024.

Equalities Implications

10.3 Consultation with those impacted by the proposed changes will comply with all Council policies.

Human Resources

10.4 Significant HR support will be required in the lead up to and throughout consultation to ensure all are supported with development and redeployment opportunities made available to staff.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

11.1 None.

12. APPENDICES

12.1 None.