

THREE RIVERS DISTRICT COUNCIL AND WATFORD BOROUGH COUNCIL

At a meeting of the **Three Rivers and Watford Shared Services Joint Committee** held in the Dickinson Room, Three Rivers House, on 17 December 2008 7.30 pm to 10.05 pm

Present: Councillors A Wylie, McQuire and I Sharpe

Officers:	David Gardner	Director of Corporate Resources and Governance
	Tricia Taylor	Executive Director, Better Council
	Carol Chen	Head of Legal Services
	Laxmi Curwen	Shared Services Programme Manager
	Tim Cowland	Acting ICT Manager
	Lieven Hermans	Acting Head of Business Information Services
	Tony Mills	Acting Head of Human Resources
	Sue Townshend	Exchequer Manager
	Alison Watson	Acting Personnel and Training Manager
	Chris Fagan	Committee Manager

JSS11/08 **APOLOGIES FOR ABSENCE / SUBSTITUTE MEMBERS**

None

JSS12/08 **DISCLOSURES OF INTEREST**

None

JSS13/08 **MINUTES**

The minutes of the meeting of the Joint Shared Services Committee held on 6 October 2008 were confirmed as a correct record and were signed by the Chairman.

JSS14/08 **NOTICE OF OTHER BUSINESS**

The Chairman accepted the following item as urgent other business for the reason that additional meetings would be required to deal with outstanding business and no meeting-dates had been agreed:

Dates for future meetings

JSS15/08 **IMPLEMENTATION - PROGRESS REPORT**

Members received a report on the progress made towards implementing shared services. The report included progress on IT connectivity and procurement and on the implementation plan, for which the Committee's agreement was sought. Approval was also sought for a proposal to relocate Watford's IT servers to the Herts County Council premises at Apsley, near Hemel Hempstead.

Members noted the decision of Watford Borough Council to select NorthgateArinso as the preferred supplier for the hosted HR system and managed payroll system on behalf of both Councils and the timescale for procurement of systems for Finance, Revenues and Benefits.

It was reported that Watford's pay and grading review would need to be completed before final salaries and budget implications of shared services staff would be known. The process would take 3-4 months. In order not to delay implementation, it was suggested that staff be offered jobs on their existing terms and conditions for an interim period. It would be necessary to obtain the consent of UNISON and of the individual staff. It was emphasised that officers would make every effort to minimise any potential risks.

Members considered that, despite the difficulties presented by the pay and grading issue, the shared services implementation should not be delayed by it.

The Director of Corporate Resources and Governance agreed to supply Members with a calculation of the amount by which salaries based on the National Joint Council grading scheme were within the current salaries budget.

RESOLVED:-

- (1) that the report be noted;
- (2) that the proposal to relocate Watford's IT servers to County Council premises at Apsley be approved; and
- (3) that the shared services restructure be progressed, but staff be employed on the existing salary schemes of the two Councils until they were in a position to finalise salaries linked to the finalisation of the Watford pay and grading structure.

JSS16/08 **DETAILED BUSINESS CASE, SERVICE AND FINANCIAL PLANNING**

Members received the draft service plans for the four services involved in the project, proposed budgets over the three year period 2009-12 with updated budgetary information consequent upon changes to the project since February 2008 and an update of the Detailed Business Case.

It was noted that the service plans for each service included staffing structures, for approval by the Joint Committee.

The following matters on the service plans were noted:-

Human Resources

Some further detailed work was required on risk identification and management, equality impact assessment and Service Level Agreements. Three Rivers provided ad hoc human resources advice to five Parish Councils. The Council

was investigating a protocol for providing written advice where this might have legal or financial implications.

ICT

The establishment would include the transfer of two Business Analyst posts currently located within Finance at Watford. Savings would be achieved by a reduction in a manager post and an Administrative Assistant post, and in the longer term by multi-skilling and operating efficiencies. The Service Plan assumed that the Steria contract with Three Rivers would terminate in 2010 and legal advice was being sought on whether the technical infrastructure support part of the service required market testing. If so, a tendering process would need to be put in hand. The matter would be considered by the Project Board on 18 December and Members would be advised of the Board's views by e-mail.

Revenues and Benefits

The greatest risk identified by the Head of Service was a drop in performance during the transition period and early implementation phase, when staff were working with new systems. No adverse impact was envisaged on the Councils' Customer Service Centres from increased work on Revenues and Benefits as capacity existed following transfers of housing services, although it would be necessary to establish a common approach to service delivery and procedures. On community engagement and outreach to excluded groups, performance monitoring was affected by the absence of a mandatory requirement for minority groups and disadvantaged clients to reveal their status and issues they faced, although the claim forms would encourage them to do so. It was intended to use Experian market segmentation data to assist performance monitoring.

Members observed that the issue of performance measurement and scrutiny, including officer and political oversight across all Services and both Councils, needed to be considered by the Joint Committee.

Finance

Internal Audit at Three Rivers was currently outsourced and a management review would consider procurement options prior to the termination date in March 2010. The tender process would be cheaper and shorter than for IT. The Service would need to run two sets of accounts for both Councils until integration was achieved in 2010 and produce two Audit reports. The costs were shown against the implementation costs in the tabled addendum to the Detailed Business Case. Internal Audit reports on shared services would be received by the Joint Committee, with information then supplied to both Councils for information. The Joint Committee could delegate this role to Officers.

Members then considered the Detailed Business Case and Budget Changes set out in the tabled addendum to the Service Plans. They noted that, compared with the cost and benefit figures available in January and February 2008, there had been cost reductions of £606,590 but an overall increase in implementation costs of £866,000, which were offset by a reduction in programme and change

management costs of £113,000. The officers confirmed that the effects of the changes did not take total costs above the overall levels budgeted by both Councils, although the full savings originally envisaged would take a year longer to achieve.

RESOLVED:-

- (1) that the draft service plans and the budgets included in the service plans be noted;
- (2) that the revised Detailed Business Case and the changes to the financial business case be noted;
- (3) that the Watford Borough Council Cabinet and the Three Rivers Council Executive Committee be informed of the changes required to fund shared services and be asked to recommend to both Councils that the changes be confirmed within their budgets for 2009/10;
- (4) that, subject to confirmation of the availability of funding, the draft service plans and the updated Detailed Business Case be approved; and
- (5) that the next meeting of the Joint Committee consider options for the provision of ICT services, arrangements for performance measurement and for oversight and scrutiny by the two Councils of the shared services.

JSS17/08 **DATES OF FUTURE MEETINGS**

Members were asked to consider dates for meetings during 2008/09 and 2009/10.

It was considered that meetings would be required in February, mid-April and mid-June and that further meetings should be scheduled every two months thereafter.

RESOLVED

that the Officers notify Members of dates for future meetings.

JSS18/08 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED:-

“that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if the press or public were present during consideration of the item there would be disclosure to them of exempt information as defined under paragraph 2 of Part 1 of Schedule 12A to the Act.”

JSS19/08 **HEADS OF SERVICE APPOINTMENTS**

Members were informed that the following Heads of Service appointments had been made:

Head of Revenues and Benefits – Susan Townshend
Head of Finance – Alan Power
Head of ICT – Lieven Hermans.

Arrangements for recruiting to the Head of Human Resources post had been put in hand and it was expected that an appointment would be made in the New Year.

RESOLVED:-

that the report be noted.

CHAIRMAN