# Public Document Pack

**THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE**

**THREE RIVERS DISTRICT COUNCIL**

**WATFORD BOROUGH COUNCIL**

**AGENDA**

| | |
|---|---|
| **Date:** | **17 December 2008** |
| **Time:** | **7.30 pm** |
| **Place:** | **Dickinson Room, Three Rivers House** |

Members of the Committee:-

| Councillors:- | R Laval (Chair) | Z McQuire |
|---|---|---|
| | A Wylie (Vice-Chair) | R Sangster |
| | M Bedford | I Sharpe |

The Joint Committee welcomes contributions from members of the public to its discussion on Part A agenda items. Contributions will be limited to one person speaking for and one against each item for not more than three minutes. Details of the procedure and the list for registering the wish to speak will be available for a short period before the meeting

Item                      Page

**Part A - Open to the Public**

**1      APOLOGIES FOR ABSENCE / SUBSTITUTE MEMBERS**

**2      DISCLOSURES OF INTEREST**

To receive any disclosures of interest.

**3      MINUTES**

To confirm as a correct record the minutes of the Joint Shared Services Committee held on 6 October 2008.

**4      NOTICE OF OTHER BUSINESS**

To announce items of other business notified to the Secretary of the Joint Committee, together with the special circumstances which justify their consideration as a matter of urgency. The Chairman to rule on the admission of such items. (Note: If other confidential business is approved under this item, it will also be necessary to specify the class of exempt or confidential information in the additional item(s)).

The Chairman to move:-
"that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) 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(s) there would be disclosure to them of exempt information as defined under the respective paragraphs of Part 1 of Schedule 12A to the Act."
If approved the Chairman will ask the press and public to leave the meeting at this point.

## Part B - Closed to the Public

**8**	**OTHER BUSINESS**

If approved under Item 4.

**THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE**

**Date of meeting:** 17 December 2008

PART A

AGENDA ITEM

# 5

**Title:** **IMPLEMENTATION – PROGRESS REPORT**

**Report of:** Laxmi Curwen – Shared Services Programme Manager

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1. **SUMMARY**

1.1 This report asks the Joint Committee to note the progress made towards implementing shared services.

2. **RECOMMENDATIONS**

2.1 That the report be noted.

**Contact Officer:**
For further information on this report please contact:
Laxmi Curwen – Shared Services Programme Manager
telephone number: 01923 728191
email: Laxmi.Curwen@watford.gov.uk

**Report approved by:**
David Gardner – Director of Corporate Resources & Governance – Three Rivers D.C.
Tricia Taylor – Director, Better Council - Watford B.C.

3.      **PROGRESS REPORT**

3.1     **Delegation and Joint Committee Agreement**

At its meeting on 6 October 2008 (Minute JSS06/08 refers), the Joint Committee agreed three amendments to the Joint Committee Agreement. These have been made under delegated powers.

3.2     **Change Management**

3.2.1   *Heads of Service*

In accordance with Minute JSS10/08, three Heads of Service have been appointed; Alan Power (Finance), Sue Townshend (Revenues & Benefits) and Lieven Hermans (ICT).  The Head of HR post will be advertised in the new year and is expected to be in post by May/June 2009.

3.2.2   *Job Evaluation, Pay and Grading*

At its meeting on 6 October 2008 (Minutes JSS07/08 and JSS08/08 refer), the Committee resolved that a report be circulated to Members of the Committee by December 2008 on the pay and grades of those jobs which form part of the shared services and on how the harmonisation of pay and leave for all staff of both councils could be achieved.

This was to avoid people in the shared services performing similar jobs being employed on different pay and grading and to avoid the potential risk of equal pay claims by non-shared services staff in both councils.

In the first instance shared services pay and grading would mirror that adopted by Watford.

A separate exercise was to be carried out to determine whether non-shared services staff at Three Rivers might have equal pay claims and the financial implications for Three Rivers if the Watford / Shared Services pay and grading was adopted in due course.

All 39 job descriptions relating to roles within Shared Services (excluding Heads of Service) have been evaluated and moderated on time and in line with the process agreed in the Change Management proposals.

Unfortunately the pay modelling required to match jobs to a 'pay spine' has not been completed because an exercise to restructure at Watford has taken longer than anticipated. There is no completion date for this work at present.

The implications for the Shared Service Detailed Business Case is that we still have only spot salaries to use, although a pay modelling exercise using the National Joint Council pay spine of thirteen grades each of four incremental points comes within the budget based on spot salaries.

3.2.3   *Consultation*

A Joint Union/Management Committee has been set up to progress negotiation and consultation.  As there were no nominations for Staff representatives from Watford, the Management/Staff forum meetings are taking place with Three Rivers staff representatives only with David Gardner, the Director of Corporate Resources & Governance from Three Rivers.

*Other*

A Change Manager, Lynn Sherwood has been appointed to oversee the redeployment process.  Suppliers (s) have been selected for change

management training and outplacement support.

### 3.3 IT Connectivity and Office Moves

A "Radio" communication link has been set up between Watford and Three Rivers offices. The plan is to establish a secondary link between the two councils using a land line linked into the Herts County Council network. The merits of this option has been considered along side the option of locating Watford's servers at the County's data centre in Apsley which is preferable to locating the servers at Three Rivers due to increased resilience and longer term potential to extend capacity. (See Appendix 1) The plan is to have the necessary infrastructure changes in place by mid March 09 to enable office moves to take place from April 09.

The test to confirm that the Revenues & Benefits system can be operated in a "thin client" environment is due to be completed by mid December 2008.

### 3.4 Procurement

#### *HR System and Payroll Service*

NorthgateArinso has been selected as the preferred supplier for the hosted HR system and managed payroll service provision (See Appendix 2). It is anticipated that this contract will generate savings in the region of £0.5m over five years across both councils and provides better value for money than current arrangements. The system functionality also provides the feature required to support the self-service vision for HR and will enable the benefits of sharing HR to be realised.

This recommendation is due to be approved by Watford Borough Council as the contracting authority on 16th December 2008.

NorthgateArinso have advised that the implementation process will require approximately six months to allow sufficient time to set up system parameters and for data cleansing. On that basis, the implementation of the HR solution will be a phased rollout between April 09 and June 09 and taking into account the needs of both councils.

#### *Other systems procurement*

Work is progressing well in the procurement of other systems related to the shared services implementation.

- Finance System: The procurement process is on track and a preferred supplier will be selected by Feb 09 for an implementation date of April 2010.

- Revenues & Benefits System: It is expected that the supplier will be selected by Feb 09 and implementation completed by Nov 09.

### 3.5 Annual Leave Harmonisation Impact

#### 3.5.1 *Legal Advice*

Legal advice has been sought regarding the harmonisation of annual leave arrangements. Two questions were raised the answers to which are shown below:

3.5.2 **_Does delay in harmonisation of leave entitlement increase equal pay risk ?_**

As the law stands at present, equal pay claimants can only compare themselves to someone of the opposite gender employed by the same employer or ( in exceptional circumstances ) by an organisation for which decisions on pay are derived from the same source. Watford and Three Rivers are separate employers and at present, each makes its own pay decisions. A Watford employee could not therefore currently use a Three Rivers employee as a comparator or vice versa.

In the event that in due course, a common set of terms and conditions are negotiated for Shared Services Staff across the two authorities, there would then be a risk of equal pay claims between those groups and their employer's other staff groups. It is at that stage also that the risk of cross council comparators would come into focus - although as yet there is no case law on this issue. Any such claims might well include references to historic differences in holiday pay.

3.5.3 **_Will there be a need to backdate compensation for staff who have given up leave on harmonisation ?_**

However harmonisation is eventually achieved, there will be a need to negotiate compensation for any lost benefits, or run the risk of breach of contract / unlawful deduction of wages claims. This would include compensation for any loss of holiday and the level of compensation likely to be sought can be assessed by reference to the 4 Options set out in Appendix B to the Annual Leave Harmonisation paper.

3.6 **Implementation Plan**

**_Timetable_**

Since the last report to the Joint Committee, we have addressed the issues that were delaying the implementation and updated the implementation plan as shown below.

| | 2008 | 2009 | 2010 |
|---|---|---|---|
| | A M J J A S O N D | J F M A M J J A S O N D | J F M A M J J A S O N D |

**Set up Joint Management**
- Jul 08: Joint Committee established
- Dec 08: Internal HoS appointed
- Jun 09: External heads in place

**Co-locate services**
- Mar 09: Technical connectivity in place
- May 09: Thrive Homes vacate TRH
- April - July 09: Office moves for HR, Fin, IT
- Nov 09: R&B office move

**Deploy to new organisation**
- Sep 08: Change Proposals agreed
- Oct 08: Consultation forums in place
- Dec 08: Jobs evaluated
- April 09: Deployment to HR, Fin, IT complete
- Nov 09: Deployment to R&B complete

**ICT**
- Apr 09: ICT operational
- Jun 09: ICT co-located
- Apr 10: IT solution in place following contract review. Full benefits delivered

**HR**
- Nov 08: Supplier selected
- Apr 08: HR operational Staff co-located
- June 09: HR System & Payroll harmonised
- June 10: Full benefits delivered

**Finance**
- Feb 09: Supplier selected
- Apr 09: Finance operational
- July 09: Fin co-located
- Apr 10: Harmonised Financial mgt system Full benefits delivered

**Revenues & Benefits**
- Feb 09: Supplier selected
- Nov 09: R&B operational System Harmonised Co-located
- Nov 10: Full benefits delivered

Key

━━━ Transition/Implementation phase

━━━ Shared Services operational/Benefits delivery starts

### *Implementation Resources*:

We have started resourcing the implementation team.   We expect to have made appointments to the roles of IT Project Implementation Co-ordinator, HR implementation Officer and Revenues & Benefits Implementation Managers by the end of the year.  Other appointments are planned in January 2009.

### *Developing Service Level Agreements*:

The SLA Co-ordinator has been appointed who is working with the Shared Service Management team and the councils' front line service representatives to develop Service Level Agreements by March 2009.

### *Progress on change management*:

We have established the consultation forums and evaluated Shared Services Jobs. However, one key aspect that still requires confirmation is the salary levels for these roles.  Until there is agreement to a common pay and grading structure at Watford and for Shared Services, we cannot confirm pay for shared services staff.  There is a risk that if the determination of pay at Watford is further delayed then this will impact the implementation of the restructure(s) for Shared Services, particularly in HR, Finance and IT which is currently due to be completed by April 2009.

### *Key Milestones*

A summary of the key milestones and their current status is shown below:-

| Key Milestone | Forecast date | Status | Comment |
|---|---|---|---|
| Joint Committee Set up | 24 July 2008 | **Completed** | |
| Consultation forums set up | October 2008 | **Completed** | Originally expected Aug 08 |
| Heads of Service Appointed | December 2008 | **Partially completed** | 2 Heads of Service appointed. |
| Budget for SS, Service Plans and Detailed Business Case updated | December 2008 | **Delayed** | Originally Nov 08 |
| Implementation team in place | December 2008 /January 2009 | **On track** | |
| Appointments made for HR, Finance, ICT | April 2009 | **At risk** | At risk due to dependency on agreeing pay and grading with Watford |
| Office moves complete for HR, Finance, ICT | April – July 2009 | **On track** | Dependency with Thrive Homes |
| HR system/Payroll solution in place | April – June 2009 | **Delayed** | Changed from Feb 09 |
| R&B systems harmonised Appointment and office moves for R&B complete | Nov 2009 | **Delayed** | Changed from Aug 09 |
| Finance systems harmonised | April 2010 | **On track** | |
| ICT solution for service delivery in place | April 2010 | **On track** | |

## 4. IMPLICATIONS

### 4.1 Policy

4.1.1 The recommendations in this report are within the policies of the Joint Committee, Three Rivers District Council and Watford Borough Council.

### 4.2 Financial

4.2.1 There are changes to the budgets already agreed by Three Rivers District Council and Watford Borough Council. These are reported at Agenda Item 6.

### 4.3 Legal Issues

4.3.1 The Head of Legal and Democratic Services draws members attention to the advice on harmonising leave arrangements, outlined in paragraph 3.4 above.

### 4.4 Risk Management and Health & Safety

4.4.1 There are no risks associated with the decision members are being asked to take in this report.

### 4.5 Equalities

4.5.1 *Relevance Test*

Has a relevance test been completed for Equality Impact?        No

Did the relevance test conclude a full impact assessment was        N/A
required?

### 4.6 Staffing, Accommodation, Community Safety, Sustainability & Environment, Communications & Website and Customer Services

4.6.1 None specific.

**Appendices**

Appendix 1: Brief on location of Watford servers
Appendix 2: HR System and Payroll Recommendation


**Background Papers**

No papers were used in the preparation of this report.

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**Briefing Paper: Location of ICT infrastructure**
**Date: 26/11/08**
**Author: Lieven Hermans, Head of BIS, Watford Council**

**Context**
As Watford's server room was no longer fit for purpose, our starting point was to agree to relocate Watford's servers to Three River's server room. When it emerged this summer that work would need to be carried out on the Three Rivers server room, the Shared Services Board asked the ICT project team to explore and compare and fuller range of options for the location of Watford's servers.

**Options considered and summary of comparative costs**

| | |
|---|---|
| Relocation to Three Rivers | £17,700 |
| Hosting at a private sector data centre: | £1,900 per month for five racks (£22,800/year). |
| Relocation to Herts County Council | £17,200 per year + £1,000 for power provision) |

**Suggested way forward**
After lengthy negotiation, the County Council came back with a competitive proposal. Offering to provide us the same rack space at their nearest data centre in Apsley near Hemel Hempstead for a competitive price in comparison with the private sector proposal, and it is a proposal that has other advantages.

We have discussed the County's proposal to check that it would meet our requirements. A 100% availability network solution was worked out that was also future proof for any further expansion of the shared services and that would bring Three Rivers into the county wide network.

Based on the provided figures the Shared Services Board has accepted and we now seek approval of the Joint Committee.

**Benefits of the suggested solution**
1. The servers are housed in an environment with plenty of air conditioning capacity and power via a UPS backed up by a generator.
2. The location has enough capacity for any future expansion such as housing the TRDC servers or those of any future joining authority.
3. The network triangulation guarantees 100% availability at normal wired network speed (100 Mbps).
4. TRDC will now be linked not only to Watford but also to any other Council within Hertfordshire.
5. At the start we will only have rack space and the hard- and software maintenance will be done by our contracted partner business or by our own staff but it opens for the future the possibility to have it done by the people managing the Herts network.
6. One step further than 5 above would be to integrate and having the servers duplicated throughout the Herts network providing as such a 100% DR service.
7. In the Herts Pathfinder Programme we are leading by example.
8. This is future proof and allows for future expansion of the Shared Services at low cost.
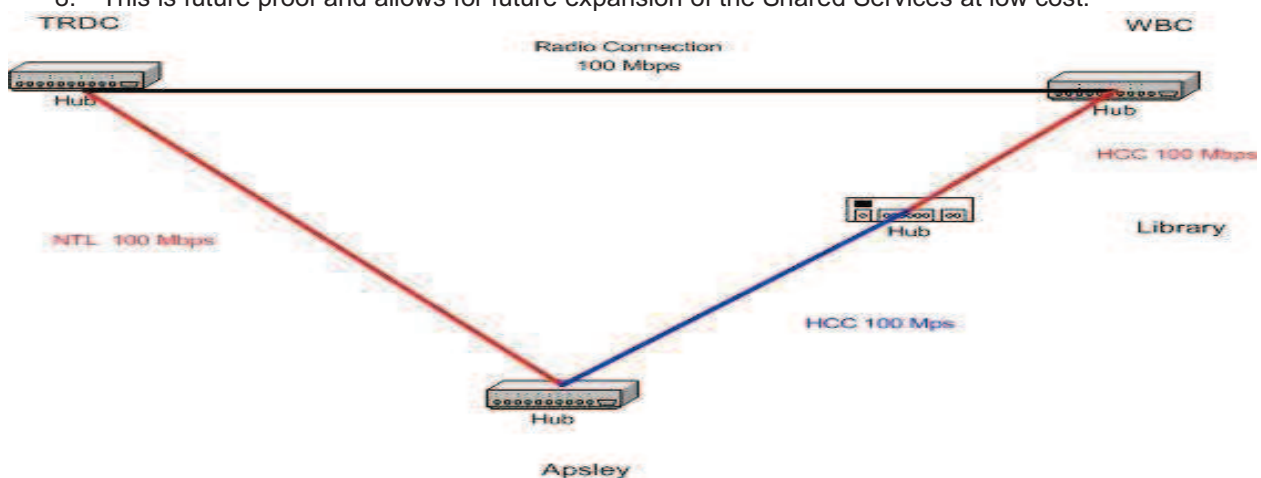
## Appendix 1: Glossary

| | |
|---|---|
| Appgate | Facility to provide VPN at Watford i.e. allowing controlled remote access |
| Apsley | Location of one of Herts County Council's data centres |
| BT | British Telecom |
| CCE | CC Engineering Ltd = incumbent Server maintenance company at Watford |
| DR | Disaster Recovery |
| exchange | telephone switch |
| GB | Gigabit = 1,000 Megabit = 1,000,000 Kilobit = 1,000,000,000 bit |
| HCC | Hertfordshire County Council |
| IP | Internet Protocol |
| KB | Kilobit = 1,000 bit |
| LAN | Local Area Network = localised closed network |
| MB | Megabit = 1,000 Kilobit = 1,000,000 bit |
| Mbps | Mega bit per sec, this expresses the speed at which data is transmitted over a network. The standard for wired networks in both Councils is presently 100 Mbps |
| NTL | Telephone and high speed data link provider – competitor of BT and incumbent external link provider of Herts County Council |
| Steria | Incumbent IT contract company at TRDC |
| TRDC | Three Rivers District Council |
| triangulate | network topology connecting network nodes in a triangle |
| UPS | uninterruptable power supply |
| WBC | Watford Borough Council |

# WATFORD BOROUGH COUNCIL

# PROCUREMENT RECOMMENDATION

**TO:**             **CORPORATE MANAGEMENT BOARD**

**SUBMITTED BY:**     **TRICIA TAYLOR**       **-**        **CORPORATE DIRECTOR**

**REQUIREMENT:**     **INTEGRATED HR SYSTEMS WITH PAYROLL**

**DATE:**         **11 November 2008**

## 1.    INTRODUCTION

To support the implementation of a Shared HR Service between Watford Borough Council (WBC) and Three Rivers District Council (TRDC), the HR shared service team identified the need for an integrated HR system with payroll to the Shared service board to support the overall structure of the HR service. The proposed system would be hosted by the supplier with fast links to the two councils to enable   the HR team and staff/managers to access it. Payroll data processing and production will be performed by the supplier.

The benefits of implementing the system would allow the HR service to focus on the more time consuming strategic and advisory aspects of the service and with the majority of administrative elements being processed by the system. . Another keen objective was to seek to  reduce  the  payroll costs for both organisations.

Following an extensive tender process, the recommendation is that NorthgateArinso should be awarded the contract.

## 2.    CURRENT SERVICE PROVISION

WBC and TRDC currently have different HR systems. WBC's payroll service is delivered in-house using an integrated HR/Payroll system whereas TRDC's payroll is outsourced to East Herts.  WBC also delivers a payroll service for another small organisation.

Currently, WBC and TRDC use separate software systems to manage their HR documentation and data. WBC uses a Frontier System - Chris 5 and TRDC uses a MidlandHR system – Delfi.

Current costs for the provision of the Software and the HR service are shown as Appendix A.

## 3. PROCUREMENT SPECIFICATION

The Specification for the requirement was written by an external consultant specialising in HR Projects in conjunction with the Head of HR (Watford). The supplier needed to provide and host an integrated HR/Payroll system and support the IT requirements , as set out in the bullet points below:

- Under Shared Services the payroll function needed to be combined and will utilise a common HR/Payroll IT system, which will initially need to support HR & Payroll for approximately 1000 staff.  Initially, the managed payroll service will be required to process

1000 payslips per month, split into three separate payrolls and all scheduled for payment on 15th of each month or previous banking day.

- The payroll managed service would include electronic communication with the HMRC for in-year forms and year end returns as well as transmission of BACS credits;

- The payroll managed service should be able to support local government pay and pension arrangements and be flexible enough to manage different pay and grading schemes, and payruns at different times of the month;

- The HR system should be integrated to the payroll function via a common database with remote access and reporting facilities via communications links to the Shared Services offices;

- The proposed HR system and Payroll managed service should be scalable to include other organisations in the future;

- An employee/manager self service facility will be required which should be able to link to data in both HR and Payroll;

- The provider will be expected to convert and migrate the data over from the old to the new HR and Payroll system supported and overseen by Shared Services staff;

- The proposed system needs to provide a good report writer to generate reports;

- The historical data should be transferred to the new system, though if this proves to be too costly an alternate option, using, for example, an Access database, would be considered.

The specification was split into three parts – The HR system requirements, the payroll requirements and the compatibility, interface and service requirements. The scoring for these is represented in the Evaluation criteria shown under point 5.

## 4. TENDER APPROACH

The Council advertised the requirement in the Official Journal of the European Union (OJEU) and followed the restricted tender route. This means that any supplier expressing an interest received a Pre Qualification Questionnaire (PQQ) for completion. The Council received 33 expressions of interest following the advertisement and received 13 PQQ responses.

Following evaluation of the PQQ by the HR Consultant and the Deputy Head of HR for Payroll, seven bidders were short-listed to bid. These included the in-house Watford team and East Herts, the current provider of payroll for TRDC.

The full tender pack was sent to bidders on 7th August 2008 with a tender return date set for 17th September. The Council only received four bids following the release of the invitation to Tender. These were from the In-house bid, NorthgateArinso, Midland HR and Frontier Software Ltd.

Other procurement routes were investigated prior to the OJEU route outlined above, including the use of Consortia, but these routes did not allow for expanded competition or allow access to known suppliers in this service area.

## 5. EVALUATION & COST BREAKDOWN

The Evaluation model was split 60% Quality and 40% Cost. The overall breakdown was as follows:

| Measure | % Score | Detail | % Score Ratio |
|---------|---------|--------|---------------|
| Technical ability to successfully meet the requirements of the service. | 40 | Responses to:- Appendix 1 <br> Appendix 2 and 3 <br><br> Presentation where required | 15 <br> 15 <br><br> 10 |
| Responses to the additional questions in the section Specification and Additional Tender Information. | 20 | Your approach to Implementation <br> Quality control <br> People <br> (Including skills, capacity, TUPE, risk assessment, contract management, training & development) | 3 <br> 5 <br> 12 |
| Pricing Schedule. | 40 | Detail and cost of proposal. | 40 |
| | 100 | **Total Weighted Score** | **100** |

The Evaluation team consisted of the Procurement Manager, HR representatives from both HR teams, Corporate Director for Resources for TRDC and the Director of Finance for WBC.

Bidders were asked to present and Heads of Service were invited to attend to feedback their views on the intuitiveness of the submission. A finance representative from TRDC also attended to assess the interface and compatibility with the current and future Financial Requirements. This constituted 10% of the final mark with additional findings used to adjust aspects of the written submission.

## 6. CONTRACT AWARD

The highest scoring tender following the evaluation was submitted by Northgatearinso at 83.58 with Midland HR in second place on 82.99. With the scores being so close, the evaluation team scrutinized the scoring and reviewed the documentation thoroughly to ensure that the final outcome was accurate.

Even though the Midland HR bid had a lower overall cost than NorthgateArinso, the evaluation team found some functional and systems issues that reduced its overall score. These included not being able to produce Organisational Charts, a restriction on how much data we could archive from our present systems, deficiencies in the Disaster recovery plan offered and a more complex method for reporting and extracting data from the system.

Frontier Software offered a significant cost advantage over the other bids but did not offer the technical solution that the Shared service was looking for. Principally, the solution was not as advanced and the Shared Service would need to operate and manage two separate databases for each organisation with no access to either for managers. This would have hampered the development of the self service model that the Shared Service is trying to implement. The implementation plan offered by Frontier software was also extremely limited.

The costs of the in-house bid were prohibitive and were based on the Frontier Software package, therefore, the technical limitations would have been apparent should we have implemented this system.

Full Evaluation scores are shown in Appendix B.

The Alcatel letter was sent on 4th November 2008 notifying the unsuccessful bidders of why they have not been awarded the contract. This allows a standstill period for a de-brief and an opportunity for the unsuccessful bidders to challenge the award. Award can be made after conclusion of the stand still period.

## 7. THE TENDER SUBMISSION

The submission offered by NorthgateArinso is very attractive to the Shared Service. It provided all functionality requested from our specification and there is a strong commitment to contract management, service delivery and implementation. It was felt by the evaluation panel that this submission would enable the HR Shared Service to realise its goals more effectively than the other bids..

NorthgateArinso are the leading provider for these services in the UK and have approximately 40 district councils as customers. Prior to the presentation, the HR representatives from both authorities referenced each bidder and Herts Constabulary were very positive in their assessment of NorthgateArinso. The Council has tendered for a five year contract for the delivery of these services.

## 8. SAVING

Appendix C highlights the costs and potential savings made jointly and by TRDC and WBC individually for all of the bids submitted against current costs.

## 9. ISSUES

There are several issues that will need addressing at the Contract Award stage. These are briefly set out as follows:

All bidders gave feedback that the proposed implementation timetable, with a go-live date of January 09 was unrealisitic, and would be tight for a go-live date of 1st April 2009.  .

TRDC's arrangement with East Herts expires in December.  TRDC will extend this arrangement until end April 2009.   .

Being clear about the TUPE issues both at WBC and for TRDC, and resourcing and aligning this process with the implementation timetable.

Agreeing the detail of how to resource the project with the contractor.  We need to proceed with the appointment of the HR Implementation Resource , asap, who will need to be supported by both senior HR managers and existing payroll staff.

Finalisation of the Contract agreement.

Communication strategy to both TRDC and WBC confirming changes and developments.

## 12.   TERMS AND CONDITIONS OF CONTRACT

The Council's terms and conditions will be used for the service requirement. NorthgateArinso will maintain their Intellectual Property Rights on their software. There is no bond required for this contract. As the host of the HR service,  it is proposed that  WBC  enter into the contract with NorthgateArinso, and that the decision is delegated to the portfolio holder for shared services. .

Procurement Recommendation – Payroll 5/11/08

## 13. EC PROCUREMENT LEGISLATION

The Procurement was operated in accordance with EC Procurement procedures.

## 14. RECOMMENDATION

This report recommends that the award of the contract for an HR Integrated Service with Payroll to be made to NorthgateArinso, subject to satisfactory negotiations.

**Appendices**

**Appendix A  -        Current Costs**

| Cost Item | Current Costs FY0809 Annual (£) | | |
|---|---|---|---|
| | **Watford** | **Three Rivers** | **Total** |
| **Payroll function** | **148350** | **61000** | **209350** |
| Employees | 117190 | 0 | 117190 |
| Supplies and Services | 19880 | 0 | 19880 |
| Income | -18620 | 0 | -18620 |
| Charges by other services | 29900 | 0 | 29900 |
| | | | |
| East Herts charges - post Thrive | 0 | 56500 | **56500** |
| Courier charges to East Herts | 0 | 4500 | 4500 |
| | | | |
| **HR System** | **9109** | **5190** | **14299** |
| Licence recharges | 9109 | 5190 | 14299 |
| | | | |
| **Total Costs (Payroll & HR system)** | **157459** | **66190** | **223649** |

**Notes**

All costs are based on FY0809 figures
Watford Borough Council - Based on forecast outturn for FY0809
Three Rivers - Based on baselineFY0809 budget figures provided for the business case

**Appendix B - Evaluation Criteria Scoring**

| Evaluation Criteria | Total | Frontier Chris 21 | WBC Chris 21 | Midland | Northgate Resource Link |
|---|---|---|---|---|---|
| HR System Requirements - Appendix 1 | **15** | 7 | 9 | 12.31 | 12.75 |
| Managed Service Payroll Function Responsibilities and Expected Payroll Standards - Appendices 2 and 3 | **15** | 12 | 0 | 14.25 | 13.75 |
| Presentation and Demonstration | **10** | 4 | 0 | 6.75 | 9 |
| Implementation - The approach | **3** | 2 | 2.5 | 2.25 | 2.75 |
| Quality Control | **5** | 4.5 | 4 | 3.88 | 4.63 |
| People | **12** | 6 | 6 | 9.75 | 10.5 |
| Total | **60** | **35.5** | **21.5** | **49.19** | **53.38** |
| Cost (See Separate Evaluation) | **40** | 40 | 17.4 | 33.8 | 30.2 |
| Total | **100** | 75.5 | 38.9 | 82.99 | 83.58 |

-

## Appendix C  -        Costs and Savings

| Breakdown of Requirements | Supplier | | | |
|---|---|---|---|---|
| | Midland HR | Frontier | Northgate | WBC |
| **One Off Implementation Costs** | | | | |
| Software Upgrade | | £29,000 | £31,450 | £32,200 |
| Equipment | £13,820 | | | £7,300 |
| GL Interface | £12,600 | £15,000 | £7,950 | £3,000 |
| Data Migration | £12,000 | | £3,975 | £8,500 |
| Consultancy Fees | £80,000 | £29,200 | £62,025 | |
| Redundancy Costs | | | | £11,000 |
| P11D System | £800 | | | |
| **Total Implementation Costs** | **£119,220** | **£73,200** | **£105,400** | **£62,000** |
| **Annual Costs** | | | | |
| P11D System | £846 | | | |
| Service Costs | £55,384 | £60,088 | £95,000 | £137,000 |
| Additional On Costs | | | | £16,700 |
| IT Costs | £9,028 | £3,600 | | £25,700 |
| Annual Maintenance Cost | £14,400 | £8,800 | | £11,200 |
| **Total Annual Cost\*\*** | **£79,658** | **£72,488** | **£95,000** | **£190,600** |
| **Five Year Cost of Service** | **£517,510** | **£435,640** | **£580,400** | **£1,015,000** |
| **Evaluation Score** | **33.8** | **40** | **30.2** | **17.4** |
| **Saving** | | | | |
| **Total Cost Saving** | **£600,735** | **£682,605** | **£537,845** | **£103,245** |
| Cost to Watford assuming 67% | £346,732 | £291,879 | £388,868 | £680,050 |
| Cost to TRDC assuming 33% | £170,778 | £143,761 | £191,532 | £334,950 |
| Saving on Current Costs\* Three Rivers | £160,172 | £187,189 | £139,418 | -£4,000 |
| TRDC saving per annum | £32,034 | £37,438 | £27,884 | -£800 |
| Saving on Current Costs\* WBC | £440,563 | £495,416 | £398,427 | £107,245 |
| WBC saving per annum | £88,113 | £99,083 | £79,685 | £21,449 |

\* Current Costs indicated in Current Costs Spreadsheet
\*\* All bidder costs, with the exception of WBC, are without TUPE costs.

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**THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE**

**Date of meeting:** 17 December 2008

PART A

AGENDA ITEM

# 6

Title: **DETAILED BUSINESS CASE, SERVICE AND FINANCIAL PLANNING**

Report of: Director of Corporate Resources & Governance – Three Rivers

1. **SUMMARY**

1.1 This report allows consideration of draft service plans and the proposed budgets for shared services over the three year period 2009-2012. It also provides an update of the Detailed Business Case.

2. **RECOMMENDATIONS**

2.1 That the Committee reviews the draft service plans and make such amendments as it thinks fit.

2.2 That the Committee notes the budgets included in the service plans.

2.3 That the Committee reviews the Detailed Business Case and makes such amendments as it thinks fit.

2.4 That the Committee notes the changes to the financial business case.

2.5 That the two councils be informed of the changes required to fund shared services and be asked to confirm that funding.

2.6 That, subject to confirmation that funding will be made available, the Committee approves the draft service plans and the updated Detailed Business Case.

**Contact Officer:**
For further information on this report please contact:
David Gardner – Director of Corporate Resources & Governance – Three Rivers D.C.
telephone number: 01923 727200
email: david.gardner@threerivers.gov.uk

**Report approved by:**
Tricia Taylor – Executive Director – Watford B.C.
Janice Maule – Director of Finance – Watford B.C.

3. **DETAILED PROPOSAL**

3.1 At its meeting on 6 October the Joint Committee agreed the process for considering the Detailed Business Case, service plans and budgets.

3.2 *Service Plans*

Four draft service plans have been prepared for the three year period 2009-2012 and are attached at Appendices 1 to 4. They represent 'work in progress' and contain:-

- Key Purpose of the Service

  - Scope of the Service
  - Contribution to Shared Services Objectives
  - Contribution to the Councils' Strategic Objectives
  - Three Year Overview of the Service

- Inputs

  - People
  - Workforce Planning
  - Assets & Technology
  - Shared Services Operating Budgets and Recharges (To follow)
  - Implementation Costs (To follow)

- Outputs & Outcomes

  - Stakeholder Consultation
  - Service Level Agreements
  - Performance Indicators
  - Benchmarking Information
  - Outstanding Recommendations of External Inspectors
  - Projects
  - Equalities
  - Risk Management

The Committee is asked to review the plans and make such amendments as it thinks fit.

3.2 *Detailed Business Case*

The Detailed Business Case has been updated and contains:

- Introduction
- Shared Services Operating Model
- Business Benefits
- Managing the Impact on Staff
- Implementation
- Financial Business Case (To follow)
- Next Steps
- Appendices

It is attached at Appendix 5.

4. **IMPLICATIONS**

4.1 **Policy**

4.1.1 The recommendations in this report are within the policies of the Joint Committee, Three Rivers District Council and Watford Borough Council.

4.1.2 It is the councils' and Joint Committee's policy to achieve savings and improve service quality and resilience through sharing services.

4.2 **Financial**

4.2.1 There *are* proposed changes to the budgets. The councils' indicated to the Joint Committee on 6 October 2008 the funding likely to be available to the shared services for the next three financial years and indicated that they have a clear expectation that the implementation costs will not be exceeded and that the on-going savings will be achieved. The figures supplied were:-

| Total | Current Year 2008/09 £000s | 2009/10 £000s | 2010/11 £000s | Future Years per Annum £000s |
|---|---|---|---|---|
| Implementation Costs | | | | |
|    Capital Expenditure | 499 | 154 | 0 | 0 |
|    Revenue Expenditure | 1,498 | 892 | 20 | 0 |
| Sub-Total | 1,997 | 1,046 | 20 | 0 |
| On-Going Revenue Savings(-) | -29 | -948 | -1,630 | -1,630 |
| Total | 1,968 | 98 | -1,610 | -1,630 |

4.2.2 It was acknowledged however that as a result of delays in implementation, both the implementation costs and the on-going savings will materialise later than anticipated in the budgets agreed by the two councils.

4.2.3 At the time of writing, a budget forecast for the shared services in respect of the next three financial years is being prepared by reference to the resources identified within the service plans and the requirements set out in the detailed business case. The updated position will be circulated as soon as possible.

4.2.4 The budgets are being prepared using spot salaries and not the pay and gradings determined by job evaluation and pay modelling. (See earlier report on this agenda).

4.2.5 The Joint Committee is required, as soon as practicable, but in any event no later than 10th January of each year, to submit to each Council its funding requirements. If either council disagrees with the amount of their contribution then it may pursue the dispute resolution procedure or terminate their involvement in the Joint Committee as set out in the Delegation and Joint Committee Agreement.

4.3 **Legal Issues** (Monitoring Officer)

4.3.1 The councils must set their budgets before 11 March 2009 in accordance with Section 32 (10) of the Local Government Finance Act 1992.

4.3.2 The councils' chief financial officers have a statutory duty to report to their Council if it is likely to incur expenditure that is unlawful or likely to exceed its resources.

4.3.3 The Joint Committee should note that Watford Borough Council's Constitution requires the Executive to put budget proposals to Council before 8th February as

it is a mayoral authority.

## 4.4 Risk Management and Health & Safety

4.4.1 The subject of this report is covered by the Finance service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.
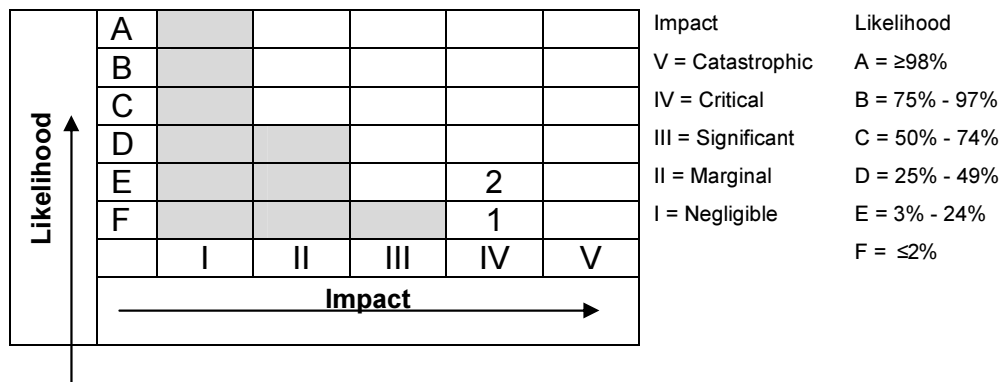
4.4.2 The following table gives the risks if the recommendations are agreed, together with a scored assessment of their impact and likelihood.

| | Description of Risk | Impact | Likelihood |
|---|---|---|---|
| 1 | That the required funding is not made available | IV | F |

4.4.3 The following table gives the risk that would exist if the recommendation is rejected, together with a scored assessment of its impact and likelihood:

| | Description of Risk | Impact | Likelihood |
|---|---|---|---|
| 2 | Failure to agree the Service Plans for implementation from 1 April 2009 and failure to meet statutory deadline for setting a legal budget | IV | E |

4.4.4 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood. Risks are tolerated where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require either monitoring or managing, in which case a treatment plan is prepared.

| Likelihood | | Impact | | | | | | Impact | Likelihood |
|---|---|---|---|---|---|---|---|---|---|
| | A | | | | | | | V = Catastrophic | A = ≥98% |
| | B | | | | | | | IV = Critical | B = 75% - 97% |
| | C | | | | | | | III = Significant | C = 50% - 74% |
| | D | | | | | | | II = Marginal | D = 25% - 49% |
| | E | | | | 2 | | | I = Negligible | E = 3% - 24% |
| | F | | | | 1 | | | | F = ≤2% |
| | | I | II | III | IV | V | | | |

## 4.5 Equalities, Staffing, Accommodation, Community Safety, Sustainability & Environment, Communications & Website and Customer Services

4.5.1 Included in service plans as appropriate.

## Appendices
1 Human Resources Service Plan 2009-2012
2 ICT Service Plan 2009-2012
3 Revenues & Benefits Service Plan 2009-2012
4 Finance Service Plan 2009-2012
5 Detailed Business Case – Version 0.6 – 9 December 2008.

**Background Papers**

The following background papers were used in the preparation of this report.  If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

Delegation and Joint Committee Agreement

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# HUMAN RESOURCES SERVICE PLAN

# 2009 - 2012

Draft Version 1.1 – Joint Committee – 17 December 2008

**Shared Services Programme**

# CONTENTS

# SECTION 1:   KEY PURPOSE OF THE SERVICE

| 1.1 | Scope of the Service |
|---|---|

## a)  Introduction

The role of the Shared Human Resource (HR) Service is to provide a proactive and responsive advisory and support service in relation to corporate health and safety, learning and development, employment and payroll.  As set out in section 1.3 of this service plan, the Shared HR service will contribute to the corporate governance and assist in the achievement of the aims and objectives of both Watford Borough and Three Rivers District Council.  The shared HR service will be based in Watford Council offices.

Our internal customers include Management Board, Service Heads, Line Managers and Staff in both authorities and Elected Members (Watford).  External customers include users of the Criminal Records Bureau umbrella body service, job applicants, work placements and the organisations we work in partnership with to deliver our service.  Services are provided to West Herts Crematorium on a client basis, Watford Community Housing Trust under a service level agreement and occasionally to Parish Councils (Three Rivers DC).

Services are currently delivered face to face, over the phone, by email or via the intranet.  Development of an HR enquiry service, managerial and employee self service are all planned following implementation of a new HR and payroll information system.

Although the services provided by the Shared HR service are discretionary although Health and Safety has a strong compliance element and the service will need to develop policies and procedures and advise on compliance with employment law.  There will also be a requirement to return employment data to the Office for National Statistics and the Department for Work and Pensions.

In November 2008, prior to be coming a Shared HR service HR the numbers of services, staff, locations and HR ratios were as follows :

|  | Watford Borough Council | Three Rivers District Council |
|---|---|---|
| HR (including learning and development) | 14 Full Time Equivalent (FTE) | 3.64 Full Time Equivalent (FTE) |
| No. of Council services | 9 | 16 |
| Work locations | Town Hall, Radius House, Wiggenhall Depot | Three Rivers House, Watersmeet, Batchworth Depot |
| No. of permanent / temp. contract staff |  |  |
| Ratio of HR staff to employees |  |  |
| Approx. no. of casual workers | 46 | 50 |

| Shared HR Service | |
|---|---|
| HR (including learning and development) | 13 Full Time Equivalent (FTE) |
| No. of Council services | 25 |
| Work locations | Town Hall, Radius House, Wiggenhall Depot, Three Rivers House, Watersmeet, Batchworth Depot |
| No. of permanent / temp. contract staff |  |
| Ratio of HR staff to employees |  |
| Approx. no of casual workers | 96 |

**1.1 Scope of the Service (continued)**

**b) What services are provided?**

- Advise and support to managers on a range of HR related issues including employee relations
- Advise and support with organisational change, restructuring, redundancy and redeployment
- Corporate health and safety advice and training
- Workforce development planning – workforce profiling, skills gap analysis
- Achieve and retain corporate accreditations (IiP, Customer Service Excellence, Two Ticks)
- Training and development – analysis of corporate needs from performance appraisal
- Recruitment – policy, procedural advice and support
- Services and responsibilities as a Registered and Umbrella Body for Criminal Records Bureau (CRB) checks
- Pre-employment checks – references, medical, work permits, CRB checks
- Employment contracts – casual, temporary and permanent
- Induction – Corporate induction, monitoring and review of departmental induction activities
- Job evaluation
- Pay and reward strategy
- Development and review of HR and learning and development policies and processes
- Consulting and negotiating with trade union / staff representatives
- Provision of management information including organisational health performance indicators, statistical surveys, absence reports
- Welfare services – outplacement services, counselling, mediation
- Payroll (via managed service contract)

**c) Strengths of each team and successes**

**Watford :** The Watford HR team bring experience of handling substantial organisational change and maintaining good employee relations along with technical proficiency and problem solving skills.  The Watford HR team has achieved the Investors In People standard corporately for Watford Council for the first time, conducted a Skills Audit, drafted and implemented a wide range of modern HR policies and trained managers on using them, introduced new occupational health, physiotherapy and nurse contact centre arrangements and provided services to Watford Community Housing Trust under several service level agreements. Sickness absence was reduced from 15 days per fte to 10.75 days per fte in 2007 .

**Three Rivers :** The Three Rivers Personnel and Training team bring experience of supporting services to a high standard as a customer orientated business partner.  The service has experience of successful external accreditation (IiP since 1995, Charter Mark since 2006) and of benchmarking itself against others (annual CIPFA bench marking surveys since 2005) to demonstrate value for money services and customer satisfaction.  The team also brings experience of operating a CRB countersigning service to external organisations and an HR advisory service under an income generating contract with West Herts Crematorium.  The team has been instrumental in helping to reduce and maintain sickness levels from 10.4 days per FTE in 2004 to 7.2 days per FTE in 2007.

**Both :** Both teams have contributed to continuous improvement in their organisation and consider their advice to be well regarded by their customers.  Both HR teams have contributed to the success of recent housing and leisure TUPE transfers, organisational restructures, equal pay audits and the development of the shared service project.

| 1.2 | Contribution to Shared Services Objectives |
|---|---|
| Savings | The Shared HR service will be part of a wider shared service initiative between Watford Borough and Three Rivers District Council. The overall savings of this venture are expected to be £1.6 million (£400,000 for Three Rivers and £1,200,000 for Watford).<br><br>As set out on page 1 of this service plan, the creation of a Shared HR service will reduce the current combined HR staffing levels from 17.64 FTE to 13 FTE.<br><br>Due to a reduction in time and effort spent, savings will be made (enabling the reduction in staffing levels shown above) in the following areas :<br><br>When creating or revising employment policies or procedures in response to legislative changes or best practice<br>When implementing employee benefits (i.e. childcare vouchers, home computing initiative)<br>When bench marking, preparing for corporate service assessments (Customer Service Excellence, IiP), service planning, performance monitoring<br><br>It is also intended to align the performance appraisal cycles in both authorities so that a joint approach can be taken to training needs analysis, workforce development planning and the design and delivery of training and development activities.<br><br>Consolidating the payroll services for Watford and Three Rivers (following a joint tender process) will represent combined savings of between £107K and £136K per annum.<br><br>In the case of occupational health and welfare services (i.e. outplacement, counselling, mediation), greater value of money should be realised through increased bargaining power and the consolidation of our joint needs.  For example, only one subscription to an on-line employment advice website will be required, job advertisements could be consolidated and customers in both authorities would benefit from the return on investment in learning and development events and materials.<br><br>Investment in one sophisticated HR and payroll information system (with one annual licence fee and one set of training requirements) will enable a reduction in time spent collecting and producing data and management reports.  The new system will enable more paperless HR and payroll processes which will result in further savings.<br><br>Watford and Three Rivers will continue to share the cost of a joint Health and Safety Advisor who will continue to provide advice and support to both councils. |

| 1.2 | Contribution to Shared Services Objectives cont. |
|---|---|
| Resilience | Combining the strengths, experience and knowledge of the officers in both HR teams will be of benefit to customers in both councils.  There should be less disruption to service during periods of annual leave or sickness, particularly to Three Rivers customers who are used to a team of between 3 and 5 FTEs.<br><br>The shared HR service intends to develop a multi-skilled first line enquiry service which will provide cover throughout operating hours and the self-service aspects of the new HR and payroll information system will provide an additional means of access to some HR and payroll services. |
| Improved Services | In addition to the improvements by virtue of greater resilience as described above, the shared HR service will deliver the following service improvements :<br><br>The Charter Mark standard is set to be replaced by Customer Service Excellence in 2009.  It is intended that the shared HR service applies for the Customer Service Excellence standard so that high standards of service are set, a customer-orientated ethos is developed and HR staff are motivated with high levels of job satisfaction resulting in excellent services to customers.<br><br>Investment in one sophisticated HR and payroll information system will make a greater degree of information available to customers through its self service features.  It will also make routine payroll and HR transactions more streamlined, customer orientated and paperless and enable a responsive and quality service in respect of producing HR statistics and management reports.  Storing payroll and HR data held in one place will improve data quality as it is more likely to be accurate and up to date.  Enabling paperless processes and improving access to up to date, accurate and meaningful HR and pay data should empower and make life easier for our customers.<br><br>The shared HR service will include five HR business partners who will work with dedicated service areas in the two councils to enable HR to gain a greater depth of understanding of their needs, to enable relevant and responsive HR services.<br><br>Customers in both authorities should benefit from a greater choice of shared relevant, accessible learning and development resources and activities.<br><br>The Shared HR Service will be developed to enable voluntary organisations within the Watford district to access the CRB countersignatory service already in place for the Three Rivers district. |

| 1.3 | Contribution to the Councils' Strategic Objectives |
|---|---|

| Three Rivers District Council |
|---|

| The shared HR service will help service managers to ensure that the right people are in the right place at the right time in order to achieve individual, service and strategic objectives. The shared HR service will also directly contribute to Three Rivers strategic objectives as follows: |
|---|

| | |
|---|---|
| **Safer Communities**<br><br>*1.1.3 To safeguard vulnerable residents* | Voluntary organisations in the community will continue to be able to access a free of charge Criminal Record Bureau (CRB) quality checking and countersigning service under the Three Rivers umbrella body arrangement. This helps to ensure the safety of children, vulnerable adults and other users of voluntary services and activities in the district. |
| **Sustainable Communities**<br><br>*2.1 We want to provide equal access to services and facilities for the public within the district and surrounding area and in particular address the needs of vulnerable residents such as elderly, disabled and young people* | Work experience placements will be organised to support Work Solutions and other organisations who exist to enable people who are have difficulty obtaining gainful employment due to disabilities, learning difficulties, long term unemployment or ill health. In support of the National Curriculum, work placements will continue to be provided to children in partnership with schools and the Careers Service. |
| **Towards Excellence**<br><br>*3.1 Customers – We will deliver services to a standard that meets the needs and expectations of all our customers* | **Customers** - A full staff survey will take place during the Autumn of 2008 the results of which will help to establish the extent to which we meet the needs and expectations of our internal customers. A customer satisfaction survey took place in September 2007 and will be repeated again in September 2009. Once again this will help to establish whether HR customer satisfaction levels increase or reduce under a shared service arrangement and help to identify areas for improvement. To ensure that our recruitment and development activities and employment processes promote opportunity for job applicants and existing staff with disabilities the service will maintain the standard required to achieve and maintain the Two Ticks disability symbol. The service will ensure that recruitment and selection processes continue to be fair, transparent, free of bias or discrimination of any kind and continue to spot check recruitment and selection practices. |

| Three Rivers District Council | |
| --- | --- |
| Towards Excellence (Continued)<br><br>*3.2 Finance – We will manage our finances and resources efficiently, effectively and economically* | **Finance** - During 2009 we will arrange for agency workers to be supplied through Comensura (vendor neutral supplier) where appropriate; this should result in some savings through increased bargaining power and therefore lower hourly rates also through reduced administration and reduced risk of claims of accrued employment rights. We will seek to bench mark our service against other similar shared HR services wherever possible. |
| *3.3 Operations – We will continue to improve our processes and procedures to deliver services* | **Operations** – Employment procedures that exist to eliminate performance problems such as disciplinary, capability and absence management procedures have statutory or locally agreed timescales and response times. These will be adhered to and where possible, amended to ensure they continue to be thorough, fair and do not use up more time than is necessary. The performance appraisal forms and process will be improved to enable timely completion of appraisals and therefore timely design and delivery of the necessary learning and development activity. We will continue to strive to have the lowest sickness absence rates in the County to minimise any impact on service delivery arising from illness. We will continue to develop ways to motivate and provide job satisfaction for all our employees so that outputs are high, turnover is low and recruitment costs are kept to a minimum. Performance statistics for the HR service (other than corporate health) will be established to monitor the time taken to turnaround HR activities, cost per activity and then targets for improvement will be set. See also Section 1.2 'Improved Services'. |
| *3.4 Capacity – We will manage and develop our people and partnerships to ensure that we are fit for purpose* | **Capacity** - The service will continue to use the Investors In People framework to ensure that our staff are properly trained, developed and motivated to deliver service and corporate objectives and provide high quality services to the public. The service will also provide training and development opportunities for Elected Members.<br><br>**Data Quality** - Performance Indicators for the HR service will be reviewed to ensure that they are valid, relevant, accurate, reliable and can be produced within necessary time scales |

| 1.3 | Contribution to the Councils' Strategic Objectives cont. |
|---|---|
| | Watford Borough Council |
| An Efficient, Effective, Value for Money Council | HR's contribution is to CP1 – an efficient, effective, value for money Council.<br><br>**Sickness Management** – the implementation of the Nurse Contact Centre service with on-line real time sickness data for managers and quarterly review meetings with Heads of Service on analysis of trends, sickness statistics and performance of managers on conducting return to work interviews should cut sickness absence by a minimum of 10% and a maximum of 30% in its trial year (2008/9). The new physiotherapy service for employees on sickness absence for musculo-skeletal conditions should cut the duration of such absences. The combined effects of these initiatives should enable greater inroads into sickness absence in the next calendar year. An on-line stress audit is being considered to further identify the causes of stress in the organisation as the second most common reason for absence.<br><br>**Finance for Non-financial Managers training** should enhance the skills and financial awareness of managers.<br><br>**Review of Management Development Programme and Talent Management initiatives** – should make more effective use of talent in the organisation and enhance succession planning. A pilot of sourcing of short course providers and devolment of short course budgets to departments should enable the L&D aspects of the Shared Service to be more achievable by reducing administrative work.<br><br>**Supporting organisational change** – HR will continue to support organisational change and value for money initiatives<br><br>**Equal Pay Audit Action Plan** – This plan will continue to be implemented to reduce the risk of equal pay challenges.<br><br>**Health and Safety** – the conclusions of the review of Health and Safety approaches will be implemented and training take place on corporate manslaughter to minimise organisational risks |

| Watford Borough Council | |
|---|---|
| A Town with a High Quality Environment | |
| A Safer Town | |
| A Healthy Town | |
| A Good Town for Business, Skills & Learning | |
| A Well-informed Community where everyone can contribute | |
| A Town to be Proud of | |

| 1.4 | The Future of the Service |
|---|---|

**Priority areas for improvement and development for the next three years (2009 – 2012)**

- Look into opportunities to increase payroll service provision beyond Three Rivers and Watford.
- Create one workforce development plan for both Watford and Three Rivers
- Extend learning and development opportunities to other councils or sectors i.e. voluntary organisations
- Develop a joint approach to recruitment advertising beyond Watford and Three Rivers (including job fayres)
- Review job evaluation scheme and process at Three Rivers with a view to implementing National Joint Council Job Evaluation Scheme
- Align occupational health arrangements for Watford and Three Rivers and look into extending those services to other organisations and investigate use of physiotherapy service (COPE) to reduce the cost of absence caused by employees off sick with musculoskeletal conditions.
- Contribute to the achievement of the Customer Service Excellence quality standard for Watford and Three Rivers
- Extend agency supply arrangements with Comensura to Three Rivers
- Extend CRB umbrella body services to Watford to contribute to 'safer town' strategic objective
- Extend Watford's Cycle to Work bike salary sacrifice scheme to Three Rivers staff
- Ensure both Watford and Three Rivers are regularly providing work experience opportunities for disadvantaged people and school age children.

**SECTION 2: INPUTS**

| 2.1 | People |
|-----|--------|

Short-Term Organisation Chart for Watford and Three Rivers HR teams (also see establishment table below)

```
                              ┌─────────────┐
                              │  Head of HR │
                              └──────┬──────┘
        ┌────────────────┬──────────┴────────────┬──────────────────────┐
┌───────────────┐ ┌──────────────────┐ ┌───────────────┐ ┌──────────────────────┐
│ Deputy Head   │ │ Payroll Manager  │ │  L&D Officer  │ │ Personnel & Training │
│ of HR         │ │ (temp)           │ │               │ │ Manager              │
└───────┬───────┘ └────────┬─────────┘ └───────┬───────┘ └──────────┬───────────┘
```

| Deputy Head of HR | Payroll Manager (temp) | L&D Officer | Personnel & Training Manager |
|---|---|---|---|
| HR Officer (0.5 FTE) | Payroll Assistant | L&D Officer (0.5 FTE) | Assistant Personnel Officer 0.68 FTE |
| HR Officer (0.55 FTE) | Payroll Assistant (0.61 FTE) | L&D Officer (0.5 FTE) | Personnel & Training Officer (0.54 FTE) |
| HR Officer (0.47FTE) | Payroll Assistant (temp) | L&D Administrator | Personnel Assistant 0.95 FTE |
| HR Officer (0.81 FTE) | | | Admin Assistant (Training) (0.76 FTE) |
| HR Officer (0.5 FTE) | | | |
| HR Information Officer (0.59 FTE) | | | |
| HR Assistant | | | |
| HR Assistant | | | |
| Corporate Safety Advisor | | | |

9

| Job Title | Grade | No. | FTEs | 'Vacant' |
|---|---|---|---|---|
| **Three Rivers Personnel and Training Team** | | | | |
| **Personnel and Training Manager** – This post is currently filled through the acting up of the Assistant Personnel Officer | MG3 | 1 | 1 | Yes |
| **Personnel and Training Officer** | MG1 | 1 | .54 | No |
| **Personnel Assistant** | Sc3/4 | 1 | .95 | No |
| **Assistant Personnel Officer** – The substantive postholder is currently the Acting Personnel & Training Manager.  Some of the duties of this post are being undertaken by Personnel Assistant (0.95 FTE) under an acting up arrangement.  Otherwise this post is not being covered. | Sc5/SO1 | 1 | 0.68 | No |
| **Admin Assistant (Training)** – The substantive postholder is temporarily seconded to Housing for a period of up to 10 months (commencing Sept 08).  This post will need to be filled on a casual part time basis in order to provide support for training and development activities. | Sc3/4 | 1 | 0.76 | No |
| **Watford HR, learning and development, health and safety and payroll teams** | | | | |
| **Head of HR (Vacant**) – This post is currently filled through the acting up of the Deputy Head of HR | | 1 | 1 | YES |
| **Deputy Head of HR** | PO3/4 | 1 | 1 | No |
| **HR Officer** | SO1/SO2/PO1 | 2 | 1.31 | No |
| **HR Officer (FTC)** | SO1/SO2/PO1 | 3 | 2.03 | No |
| **HR Information Officer** | Sc5/SO1 | 1 | 0.59 | No |
| **HR Assistant** | SO1/SO2 | 1 | 1 | No |
| **HR Assistant** | Sc3/Sc6 | 1 | 1 | No |
| **Corporate Safety Advisor** | PO1/PO2 | 1 | 1 | No |
| **Payroll Manager (FTC)** | PO1/PO2 | 1 | 1 | No |
| **Payroll Assistant** | Sc6/SO1 | 1 | 1 | No |
| **Payroll Assistant** | Sc3/Sc4 | 1 | 0.61 | No |
| **Payroll Assistant (FTC)** | Sc5/Sc6 | 1 | 1 | No |
| **L&D Officer (FTC)** | SO1/SO2/PO1 | 2 | 1.5 | No |
| **L&D Administrator (Agency)** | | 1 | 1 | YES |

**HR Shared Services:  Proposed Organisation Chart post restructure (to be approved by Joint Committee)**

```
                        ┌─────────────────────┐
                        │     Head of HR      │
                        └─────────────────────┘
            ┌───────────────────────┴───────────────────────┐
┌─────────────────────┐                          ┌─────────────────────┐
│    Organisation     │                          │     HR Manager      │
│ Development Manager  │                          └─────────────────────┘
└─────────────────────┘
   ┌─────────────────────┐                    ┌───────────────────────────┐
   │    Learning &       │                    │ Business Partner Team     │
   │   Development       │                    │                           │
   │     Officer         │                    │ HR Business Partner(5)    │
   └─────────────────────┘                    └───────────────────────────┘
   ┌─────────────────────┐                    ┌───────────────────────────┐
   │    Learning &       │                    │ General HR Advisor (2)    │
   │   Development       │                    └───────────────────────────┘
   │   Co-ordinator      │                    ┌───────────────────────────┐
   └─────────────────────┘                    ┆ Managed payroll service   ┆
   ┌─────────────────────┐                    └───────────────────────────┘
   │  Health & Safety    │
   │     Advisor         │
   └─────────────────────┘
```
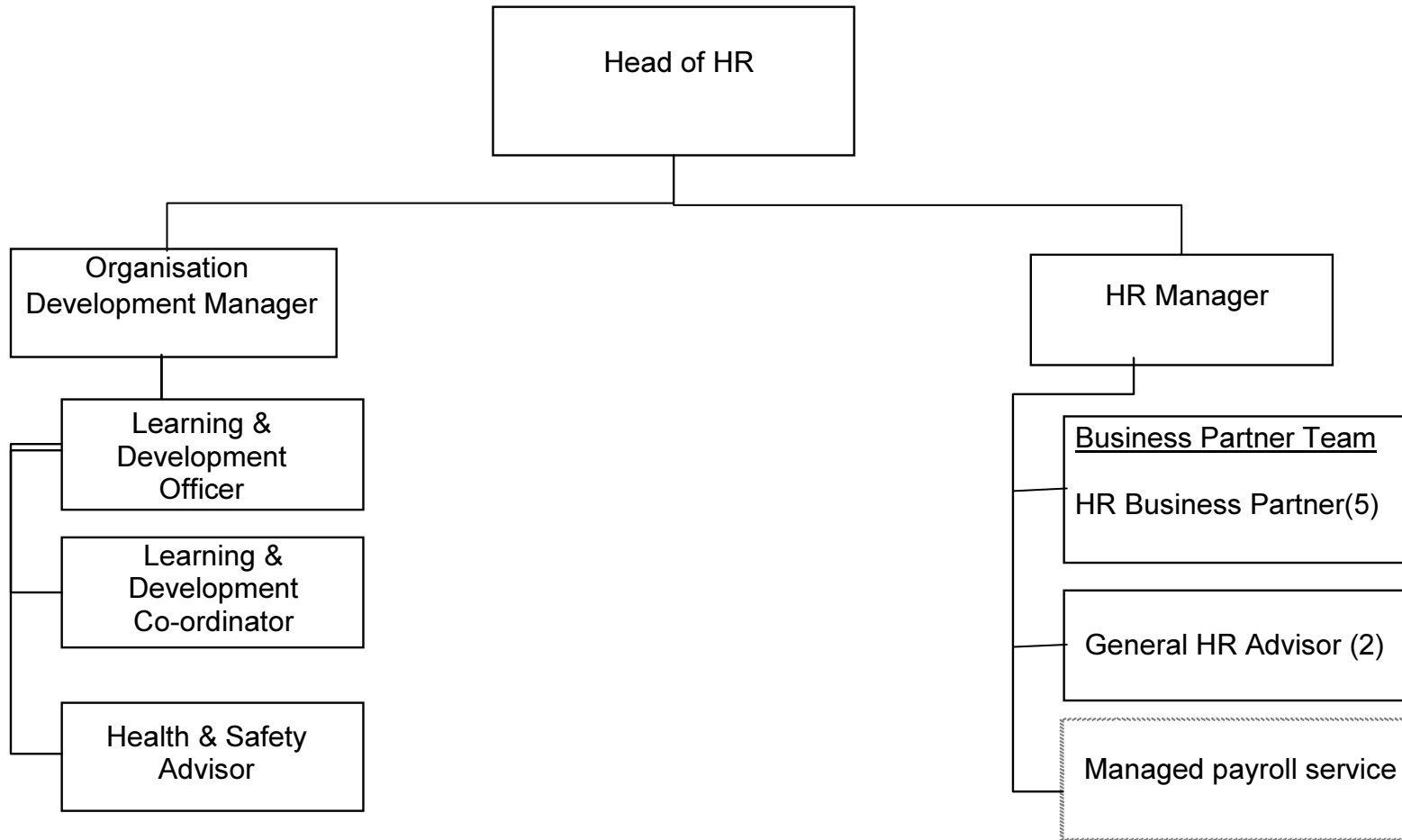
See over for establishment list

**HR Shared Services:  Proposed Establishment List post restructure (to be approved by Joint Committee)**

| Job Title | Grade | No. | FTEs |
|---|---|---|---|
| Head of Human Resources | TBC | TBC | 1 |
| Organisational Development Manager | TBC | TBC | 1 |
| HR Operations Manager | TBC | TBC | 1 |
| Training Officer | TBC | TBC | 1 |
| Training Coordinator | TBC | TBC | 1 |
| Health and Safety Advisor | TBC | 1 | 1 |
| General HR Advisor | TBC | TBC | 2 |
| HR Business Partner | TBC | TBC | 5 |

| 2.2 | **Workforce Planning** | | |
|---|---|---|---|

| Overview | | | |
|---|---|---|---|
| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
| **Shared Services** The shared HR service will be involved in the implementation of the wider shared services project (ICT, Revenues and Benefits and Finance) | This will create added pressure on the shared HR service as would input into any major project. HR colleagues are also directly affected by the project. | Need to make the best use of 'shared service implementation resources' rather than HR staff - wherever possible. Provide support in relation to 'handling change' as professionals and also 'coping with change' as individuals | The resilience and improved service benefits of the new HR structure will not be fully realised while the changes are being implemented. Training interventions i.e. 'Handling change' and 'Coping with change' are incorporated as part of the change management process and costs allocated to the shared services project. |
| **New HR / Payroll system** Future HR and payroll processes will need to be agreed prior to the set up of the new system. | This will create added pressure on the shared HR service due to the requirement for a significant degree of input from HR, L&D and payroll colleagues. | 'Shared service implementation resources' will lead the project. The two Council's ICT services will also need be involved. | The resilience and improved service benefits of the new HR structure will not be fully realised while the changes are being implemented. However, it is vital that the system is set up properly right from the start in order to maximise service improvements  A budget will be required to cover any on-going advanced report writing training (Business Objects or Cognos) so that HR can produce sophisticated management reports to customers. |
| **Working as Business Partners** The shared HR service will be taking a 'business partner' approach to service delivery | HR staff may benefit from an understanding of the concept of a Business Partner approach to HR | A session to share this with colleagues and discuss the implications for both authorities | A CIPD toolkit has already been purchased by WBC. Improving understanding of the business partner concept will contribute towards the success of its application in practice. |

| 2.2 | Workforce Planning cont. | | |
|---|---|---|---|
| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
| **GLEA Job Evaluation Scheme (Three Rivers)** If a decision is taken to adopt the NJC job evaluation scheme at TRDC in the near future then training for other HR business partners will not be required.  However, if this change is delayed or does not happen at all for any reason then it would be essential to have more than one GLEA trained HR Business Partner. | If there were insufficient HR business partners trained to carry out job evaluations for TRDC it will have a negative impact on the service to TRDC customers particularly at times of annual leave etc. | Ensure there are at least two HR business partners trained in the GLEA JE scheme. | A budget may be required to cover the possible need for GLEA JE training for at least one other HR Business Partner within the shared HR service.  HR staff will need the necessary knowledge and skills otherwise resilience benefits will not be realised. |
| **NJC Job Evaluation Scheme** To improve understanding of how the NJC JE scheme operates beyond HR across Watford (and possibly Three Rivers) Councils | Insufficient organisational knowledge and capacity in this area will impact on service delivery particularly at times of organisational change . restructuring. | Incorporate JE training into the corporate training programme.  Regular opportunities should be available for training and refresher training on the scheme itself, the process, the computerised system and the moderation process. | A greater spread of knowledge across the Council would increase organisational capacity to carry out job evaluations and improve organisational knowledge in this area. |
| **Employment Law** Changes in employment law happen all the time | HR staff must keep up to date with developments and implications for customers in order to give sound, up to date advice. | HR manager and HR business partners attend employment law updates annually | A good spread of sound knowledge will ensure quality services to customers.  A budget will be required to cover the cost of attendance of HR manager and HR business partners at annual employment law update. |

| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
|---|---|---|---|
| **HR Networking**<br>HR must be represented at Hertfordshire and regional groups (HPOG, PPMA) | Time spent attending and being involved with various groups | HR staff will need to ensure the service is represented and contributes at meetings | Profile is raised and reputation of the service is established with a view to expansion and development of the shared HR service |

| 2.3 | Partnerships & Contracts |
|---|---|
| Partner / Partnership | Expected Outcomes |
| West Herts Crematorium | Continue to operate an income generating contract for payroll, HR and occupational health services (i.e. recruitment, disciplinary, capability, grievance, occupational health and reorganisation) to help the Crematorium to continue to provide excellent services to the public |
| Watford Community Housing Trust | Continue to provide services under a service level agreement until this comes to an end |
| HR system / payroll service provider | Develop effective working relationships to ensure good communication and to remedy service or system problems efficiency at all times to the benefit of our customers |
| Various occupational health partners (Nurse contact centre (AHP), BUPA / Corporate Health Care / Dr Zane and Partners, Counselling Contact Centre) | In the short term, continue to work with existing occupational health and welfare service providers to obtain medical advice, testing and services on behalf of our customers with a view to harmonisation. |
| Criminal Records Bureau (CRB), Rickmansworth Waterways Trust, Citizens Advice Bureau, Rickmansworth Churches Housing Association and Council for Voluntary Services | The umbrella body arrangement in place at Three Rivers could be extended to Watford to widen our CRB checking services to voluntary organisations in Watford. |
| Herts County Council - Work solutions | Offer work taster opportunities on a regular basis across both councils for disadvantaged people (disabled, long term unemployed etc) within Watford and Three Rivers |
| Riley – advertising contract (2008-11) | Work with Rileys to ensure that job advertisements are effective, media costs are kept to a minimum and a quality service is provided to our customers |
| Employment service (Job Centre) | Advertise all job vacancies arising within Watford or Three Rivers Councils with the employment service to increase opportunities and contribute to a reduction in unemployment figures. |
| Work Scales | Continue to provide outplacement support and careers advice to minimise the impact on staff displaced by organisational restructuring from time to time |
| Herts Careers Service | Continue to provide work experience placements to 14-16 year old children in support of National Curriculum requirements |

| Partner / Partnership | Expected Outcomes |
|---|---|
| Childcare voucher providers (Busy Bees and Accor) | Continue to provide staff with the opportunity to purchase childcare vouchers under HMRC regulations to reduce the financial burden of paying for approved childcare arrangements.  The preferred supplier arrangements can be streamlined from two to one under shared services. |
| Comensura | Continue to use Comensura for the supply of agency workers at Watford and extend this arrangement to Three Rivers on a phased basis. |
| Health and Safety Executive (HSE) Local Government Body | Working with the HSE on issues which impact on health and safety regulatory functions. The body also review's the effectiveness and performance of the partnership between the enforcing authorities – Health and Safety Executive and local authorities |
| COPE | Provision of a prompt and accurate clinical physiotherapy diagnosis and treatment for work related musculoskeletal disorders and those disorders affecting working efficiency using approved local physiotherapy clinics. Providing management reports and guidance as agreed. |
| ABA management development | To continue to use ABA Consultants to design and deliver management development programmes and design training products to meet the needs of the council. |

| 2.4 | Assets & Technology (Requirements) |
|---|---|

**At Watford Town Hall**

**Assets (requirements for accommodation and equipment)**

2 x laptop and projector for corporate training courses, 2 x laptop for offsite meetings and homeworking
Minimum of one private meeting space with tables and 6 chairs
Minimum of 5 remote working key fobs (or alternate means of accessing all areas when off site or at alternate sites)
Tables, desks and PC chairs(13)
PC's (13)
Telephones (13)
Photocopier (1)
Printer (1)
Scanner (1)
Secure cupboards for personal files (approx 10)
Minimum of 8 flip chart stands
Access to nearby confidential shredding facilities

**Technology requirements**

Some means of remote access and data transfer (currently we have 2 Kingson mass storage devices at Three Rivers)
HR / payroll system
Intranet and web access
MS office suite including MS outlook

**At Three Rivers House**
A desk, chair and PC will be required at Three Rivers House for to provide a service to internal customers and external visitors to Three Rivers House.

Facilities will also be required for the Health and Safety Officer to maintain a presence at Three Rivers House two days per week.

## 2.5 Shared Services Operating Costs and Recharges

| Code | To be extracted from Detailed Business Case | 2008/09 Revised £ | 2009/10 Original £ | 2010/11 Forecast £ | 2011/12 Forecast £ |
|---|---|---|---|---|---|
| | Shared Services Operating Costs | | | | |
| | Employees | | | | |
| | Premises | | | | |
| | Transport | | | | |
| | Supplies & Services | | | | |
| | Contracted & Agency Services | | | | |
| | Income | | | | |
| | Sub-Total | | | | |
| | | | | | |
| | Recharge to Councils | | | | |
| | Three Rivers District Council | | | | |
| | Watford Borough Council | | | | |
| | Sub-Total | | | | |
| | Total | 0 | 0 | 0 | 0 |

## 2.6 Implementation Costs

| | | 2009/10 £ | 2010/11 £ | 2011/12 £ |
|---|---|---|---|---|
| 1 | Revenue Implementation Costs | | | |
| | List here items of cost from Detailed Business Case | 0 | 0 | 0 |
| | Total | 0 | 0 | 0 |
| 2 | Capital Implementation Costs | | | |
| | List here items of cost from Detailed Business Case | 0 | 0 | 0 |
| | Total | 0 | 0 | 0 |

## SECTION 3:   OUTPUTS AND OUTCOMES

| |
|---|
| **3.1         Stakeholder Consultation** |

In preparation for the excellence standard the shared HR service will need to set targets for satisfaction levels, be aware of who its customers are, what their needs are and establish a range of methods for engaging, consulting on service design and informing customers of changes or improvements arising from consultation.

The HR business partners who will support a number of services in both councils will provide a way of improving engagement, consultation and informing.

Periodic full staff surveys and bi-annual HR customer satisfaction surveys will be carried out, the results of which will be published to all customers.

Three Rivers carried out an HR customer satisfaction survey in September 2007 and one of the purposes of the survey was to inform the way HR services were delivered in the future.  Recruitment, managing performance, setting pay and managing change were identified as the areas of least satisfaction from Three Rivers customer's perspective.  It will be important for the shared HR service to consider these areas as those requiring some improvement at Three Rivers.  It is intended to repeat this HR customer satisfaction survey again in 2009 rather than to allow time for improvements to be made and realised before repeating this exercise.

No complaints have been received by either HR team over the past twelve months.  Suggestions, comments and feedback in response to day to day services are routinely acknowledged and acted upon.

Stakeholders were consulted at the initial stages of the shared HR service project for a shared HR service in 2007 and again closer to implementation in January 2009.

Both Watford and Three Rivers have recently embarked on (or are about to embark on) a staff survey.  Unfortunately, the results of these surveys are not available at the time of drafting this service plan but once available, will be used to inform the development of the shared HR service.

| |
|---|
| **3.2         Service Level Agreements** |

**SLAs between shared services and the councils**

As part of the development of the operating model for the shared HR service, internal customers were consulted and draft output specifications produced. The shared services team will use this as a starting point to develop and establish formal Service Level Agreements (SLA) between the shared HR service and its customers at both councils.  As part of the Service Level Agreements, performance standards will be identified as well as performance indicators that will be used internally by the shared service, some of which have been included in this service plan.  The process for monitoring performance against SLAs is being developed and will be agreed with the Joint Committee.  It is expected that SLAs will be established by March/April 2009.

**SLAs between shared service and other organisations**

Watford HR have a service level agreement to provide occupational health services to Watford Community Housing Trust.  Watford currently provide payroll services and Three Rivers currently provide HR service to West Herts Crematorium.

| 3.3 | Performance Indicators | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| Reference | Working days lost to sickness per FTE (in shared HR service) | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | | | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| HR service | | | | | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| HR service | | | | | | | | | | | | | | | | |

**Comments on Performance:**

| Reference | Working days lost to sickness per FTE employee | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | | | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 | 1.625 |
| Watford | | | | | | | | | | | | | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance:**

21

| 3.3 | Performance Indicators cont. |
|-----|------------------------------|

| Reference | Payroll cost per payslip | | | | | | | | | | | | |
|-----------|--------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | **Total cost of managed payroll service divided by employee headcount** | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Annual | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Annual | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | |
| **Comments on Performance** | | | | | | | | | | | | | |

| Reference | Cost of HR per employee (headcount) | | | | | | | | | | | | |
|-----------|-------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | **Total budget for the shared HR service divided by employee headcount** | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Annual | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Annual | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | |
| **Comments on Performance** | | | | | | | | | | | | | |

| 3.3 | Performance Indicators cont. |
|---|---|

| Reference | Ratio of HR (FTE) per employee (headcount) | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | | | | | | | | | | | | | |
| **Target** | 2008/09 | | | | 2009/10 | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Annual | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | |
| **Outcome** | 2008/09 | | | | 2009/10 | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Annual | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | |
| **Comments on Performance:** | | | | | | | | | | | | | |

| Reference | % of staff receiving annual appraisal (of those eligible to do so) within target timescale | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | | | | | | | | | | | | | |
| **Target** | 2008/09 | | | | 2009/10 | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Annual | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | 100% | | | | | | | | |
| Watford | | | | | 100% | | | | | | | | |
| **Outcome** | 2008/09 | | | | 2009/10 | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Annual | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | |
| **Comments on Performance:** | | | | | | | | | | | | | |

| 3.4 | Benchmarking Information | | | | |
|---|---|---|---|---|---|

**Measure: Cost**

| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
|---|---|---|---|---|---|
| Total HR cost per employee | Shire districts (CIPFA/IPF HR Benchmarking club) | TBC | ? | 31.3.09 | |
| HR admin/transactional staff cost per employee | " | TBC | ? | 31.3.09 | |
| Cost of recruitment per appointee | " | TBC | ? | 31.3.09 | |
| % HR staff turnover | " | TBC | ? | 31.3.09 | |
| Health and Safety cost per employee | " | TBC | ? | 31.3.09 | |

**Measure: Quality**

| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
|---|---|---|---|---|---|
| Days lost to sickness per FTE (all staff) | Shire districts (CIPFA/IPF HR Benchmarking club) | TBC | ? | 31.3.09 | |
| Days lost to sickness per FTE (HR) | " | TBC | ? | 31.3.09 | |
| HR staff per 1000 employees | " | TBC | ? | 31.3.09 | |
| No. of HR admin/transactional staff per employee | " | TBC | ? | 31.3.09 | |

| 3.4 | Benchmarking Information cont. | | | | | |
|---|---|---|---|---|---|---|

**Measure: Equalities**

| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
|---|---|---|---|---|---|
| BME employees in workforce | Shire districts (CIPFA/IPF HR Benchmarking club) | TBC | ? | 31.3.09 | |
| Disabled employees in workforce | Shire districts (CIPFA/IPF HR Benchmarking club) | TBC | ? | 31.3.09 | |

| 3.5 | Outstanding Recommendations of External Inspections | | | | | |
|---|---|---|---|---|---|---|
| *Action* | *Priority* | *Responsibility* | *Action to Date* | *Resolved* | *(Original) Implementation Date* |
| Investors In People Ltd (The Assessment Network) Post Recognition Review Report – expected February 2009 | | | | | |
| Various in relation to learning and development activity | High | MB, Heads of Service, line managers and HR | Various | No | TBA |
| SGS - Charter Mark Assessment 7 December 2006 / Year Two Health Check 18 March 2009 | | | | | |
| Ensure that complaints, compliments and suggestions from customers of the HR service are captured, acted up (where necessary), recorded and publicised | Medium | Head of Shared HR Service | None | No | TBA |

| 3.6 | Projects |
|---|---|

- **Provide HR support to Shared Services project** - Throughout 2009/10, the shared HR service will be supporting the movement of all in-scope services into a shared service arrangement.

- **Set up the shared HR Service including :**

- **Use Customer Services Excellence standard**– using the assessment framework will help in setting up a high quality shared HR service and prepare for assessment into customer insight, culture, information and access, delivery, timeliness and quality of services.

- Manage the transition for Three Rivers HR customers to off-site / 'kiosk' HR services

- **A multi skilled first line HR enquiry service** - to provide cover throughout operating hours and manage incoming requests for service.

- **Align on line advisory websites and subscriptions**

- **Adopting a joint approach to recruitment advertising, selection and appointment procedures**

- **Align performance appraisal and learning and development activities** - for employees and Elected Members at Watford and Three Rivers. Make changes to the performance appraisal cycle in both authorities to increase chances of more timely completion of the annual appraisals. Take a joint approach to corporate training, induction, management development, evaluation and monitoring employee motivation and satisfaction levels.

- **Implement and develop HR / Payroll Information System** – agree a common approach to HR and payroll processes, set up the HR and payroll system and then roll out managerial and employee self service features. This will make transactional line management activities paperless, efficient and improving levels of access to management reports and employee information. It should also HR staff to focus on providing a quality and responsive advisory and support service to customers.

- **Create and implement workforce development plans for Watford and Three Rivers** - to ensure that both councils have 'the right people in the right place at the right time'. Staffing costs are the biggest overhead in both Councils. Workforce development plans help to ensure that maximum return on investment is realised. Workforce development planning involves profiling existing workforces and then directing learning and development activities to address and support the needs of both councils. This will involve improving the chances of successful recruitment, developing the skills and knowledge of existing employees to plan for succession and providing a motivating working environment where employees are engaged and retained increasing capacity and capability.

- **Review Job Evaluation at Three Rivers** - report on the implications of aligning with Watford arrangements (National Joint Council Job Evaluation Scheme and computerised Gauge job evaluation process)

- **Harmonisation of annual leave entitlements –** between Watford and Three Rivers and other **HR policies and procedures -** (where relevant) and as part of a three year programme

| 3.6 | Projects cont. |
|---|---|

- **Align occupational health arrangements** for Watford and Three Rivers

- **Extend agency supply arrangements with Comensura** to Three Rivers (phased basis commencing with operational and administrative roles)

- **Extend CRB umbrella body services** to Watford - to contribute to 'safer town' strategic objective

- **Extend Cycle to Work bike salary sacrifice scheme -** to Three Rivers

- **Customer Satisfaction** – Carry out CIPFA / IPF HR customer satisfaction survey for key Three Rivers and Watford customers in 2009.

- **Develop ways in which work experience opportunities** for disadvantaged people and school age children (as part of National curriculum) are regularly provided and publicised (in partnership with Work Solutions and Hertfordshire Careers Service)

| 3.7 | Equalities |
|---|---|

Both Watford and Three Rivers will work to retain the 'two ticks' disability symbol to promote employment opportunities for people with disabilities.

We need to know our customers to make our performance measures meaningful but also to ensure that our customers can access employment and development opportunities. Work with dedicated organisations to promote opportunities for those who are disadvantaged groups. Develop the basic skills of our own workforce in line with the governments skills targets (Skills pledge, Train 2 Gain etc)

Three Rivers aims to achieve level 3 of the CRE Equality Standard and adopt the new equalities framework from April 2009.

At Watford there is an overall equalities action plan for HR, for race, gender and disability.

The overall EIA for Shared Services will apply. Shared Services HR will be expected to respond to the new Equalities Act and any other new equalities legislation

Three Rivers HR objectives and activities are underpinned by 5 people management principles – customer first (internal or external)
Encourage flexibility and innovation embracing change, can do approach
Culture of openness, trust and transparency throughout
Fairness, recognising the contribution of teams and individuals
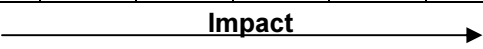Recognising that one size doesn't fit all

| 3.8 | Risk Management |
|---|---|

**RISK REGISTER**

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|
| | *Brief Description – Title of Risk* | *See Impact Table* | *See Impact Table* | *See Likelihood Table* | *Use this box to describe how the score has been derived* | | |
| | | Service Disruption | | | | Requires Treatment | Yes/No |
| | | Financial Loss | | | | Last Review Date | dd/mm/yy |
| | | Reputation | | | | Next Milestone Date | dd/mm/yy |
| | | Legal Implications | | | | Next Review Date | dd/mm/yy |
| | | People | | | | Date Closed | dd/mm/yy |

| Impact | Likelihood |
|---|---|
| V = Catastrophic | A = ≥98% |
| IV = Critical | B = 75% - 97% |
| III = Significant | C = 50% - 74% |
| II = Marginal | D = 25% - 49% |
| I = Negligible | E = 3% - 24% |
| | F = ≤2% |

**RISK TREATMENT PLAN**

| Risk Ref: | Enter Risk Register Ref | Risk Title: | Enter description of risk from Risk Register | | |
|---|---|---|---|---|---|
| Responsibility | | Who is managing the risk? | Enter name of officer managing the risk | | |
| Consequence | | What can go wrong?<br>How can it go wrong?<br>Has it gone wrong before? | Insert the answers to the questions | | |
| Cause / Trigger | | What happens to bring the risk into being? | Insert specific things that must occur for this risk to be realised | | |
| Existing Control | | What controls exist now to minimise the risk? | Describe the controls that currently exist | | |
| Adequacy of Control | | What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls? | Evidence is required – not just a statement that the controls are working. | Impact<br>See Impact Table | Likelihood<br>See Likelihood Table |
| Further Action / Controls Required | | What gaps have been identified?<br>What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong? | Enter the additional / replacement control procedures you are proposing to implement | | |
| Cost / Resources | | Are there cost / resource implications in achieving the further action above? | Describe the resources required here | £ Enter cost here | |
| Current Status | | What is the current position on introducing additional controls? What is the current Risk Rating | Enter here the 'status' of the risk, i.e. how it has changed over time, when the further controls are expected to take effect etc. | Impact<br>See Impact Table | Likelihood<br>See Likelihood Table |
| Critical Success Factor | | How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls? | Insert the answers to the questions. Will the impact and likelihood mean the risk can be tolerated / closed? | Impact<br>See Impact Table | Likelihood<br>See Likelihood Table |

**Version Control**

| Version No. | Date | Reason for Update / Significant Changes | Made By |
|---|---|---|---|
| 0.1 | | Draft for discussion of contents | DAG |
| 0.2 | 03/12/08 | First Draft | TM/AW |
| 1.1 | 09/12/08 | Draft Version – Joint Committee – 17 December 2008 | DAG |
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# ICT SERVICE PLAN

# 2009 - 2012

Draft Version 1.1 – Joint Committee – 17 December 2008

**Shared Services Programme**

# CONTENTS

**SECTION 1: KEY PURPOSE OF THE SERVICE**

| | |
|---|---|
| **1.1** | **Scope of the Service** |

The overall objective of the ICT shared service will be to provide high quality and reliable Information Technology and Telephony services to its users. The service will be broadly split into two areas; Technology support services (to include infrastructure support and management of the current outsourced contract at Three Rivers) and Business Support (to include elements of business application support and service enhancements). It is anticipated that there will be a high level of communication between the ICT service and customers to ensure that the ICT staff understand the business requirements and that the ICT team can propose development opportunities to make the best use of technology within each service area.

The key responsibilities of the Shared IT Service are as follows:

- Manage the Councils' hardware and software assets
- Develop of a common Information Strategy to manage the development of the Shared ICT Service
- Provide input into individual IT Strategies at each of the partner Councils
- Provide effective IT and Telephony network / Infrastructure management including maintenance
- Provide application support to all of the Councils' business applications within scope of Shared Services
- Provide a business development function to help improve other services' business processes
- Provide effective project management for corporate ICT related projects
- Centralise the procurement of all ICT equipment and systems to ensure standardisation and connectivity
- Enable effective use of IT security systems to ensure data integrity and Councils' reputation
- Manage the appropriate licenses for ICT systems
- Develop, seek approval and advise on corporate information security policies
- Provide stakeholder briefing sessions on the subject of information security and best practice use of ICT
- Manage external supply contracts
- Managing disaster recovery services for the ICT facilities
- Provide effective website management (excluding devolved content management)
- Effectively manage the ICT capital and revenue budgets
- Assist in the future development of the Councils' Shared Services Programme

The ICT service will provide ICT facilities to all Council staff at both Councils and to the public via web services. The elements of service included in the new structure will include business development, application support, infrastructure support, web development, and the overall management of the service. The infrastructure support element of the service will work closely with Steria Ltd to provide IT services to Three Rivers until the contract expires in March 2010.

The staff working in the ICT service will be based at Three Rivers House, although an on-site presence will remain at Watford to deal with any local issues.

There are no statutory services directly responsible to ICT, although the section does support many other service areas in achieving their own statutory targets.

Both of the individual ICT teams at Watford and Three Rivers has achieved a number of successes over the past three years. These include:

Three Rivers

- Achievement of the Charter Mark standard at Three Rivers
- Establishment of a new outsourced IT contract, which provides improved service levels at a reduced cost
- Conclusion of a Best Value Review of ICT
- Consistently high levels of customer satisfaction identified in customer satisfaction surveys
- Successful transfer of Housing function to Thrive Homes
- Successful transfer of Leisure function to Hertsmere Leisure
- Implementation of Remote Access Services to assist with flexible working patterns and to provide disaster recovery arrangements
- Improved processes to manage information security
- Upgrade of the corporate network operating environment

Watford

- Total Land Charges implementation in Uniform and upgrade to version 7.4
- Lagan upgrade to Version 7
- Deployment of Thin client to all 90% of our seats
- Implement new 'look and feel' for Watford Website
- New Intranet directory with job description, photograph and peer related information
- Facilitate the split of the Housing department including the decommissioning of hardware
- Completing the Implementation of wireless link to Radius House
- Further standardisation of hardware and software
- Relocation of staff throughout campus to facilitate refurbishment of Town Hall after the flooding
- Supported the development of an overarching information security policy based on BS7999/ISO27001
- Introduced business analyst function to provide business process reengineering
- Implemented document management for revs and bens following PRINCE II principles

| 1.2 | Contribution to Shared Services Objectives |
|---|---|
| Savings | This section will be completed with figures to be taken from the detailed business case. |
| Resilience | By bringing the services fro the two Councils together, there will be a greater number of staff within the team. It is the expressed aim of the service that, wherever possible, staff members will cross train each other to remove any single points of failure within the team. To this end, the Application Analyst team will be much more generic and will be able to assist services on a number of different systems, not just the one that they have traditionally been a specialist in.  From the point of bringing the two IT teams together, resilience will be guaranteed for the shared services in scope systems. For full resilience to be provided across all supported applications, there will be training requirements and it should be recognised that this will not be achieved instantly. Prioritisation of systems and key tasks will be required.<br><br>Both Authorities will be connected on a triangulated network to ensure availability and resilience in data traffic<br><br>Network connectivity also allows either of the two Council locations  to be used for front line staff in the case of a disaster.<br><br>The shared ICT service will benefit from accumulated learning and experience from previous projects, applications and infrastructure from the two Authorities.<br><br>Continued alignment and harmonisation of systems and processes will bring further benefits and resilience to both Councils<br><br>Until 2010, the existing support contract with Steria will run in parallel to the existing technical support team at Watford to ensure resilience is in place during the heavy period of implementing other Shared Services related implementations. |
| Improved Services | In the short term, we will aspire to maintain the existing levels during the implementation of Shared Services and while systems are being consolidated. After this time, the ICT Shared Service will strive to achieve the performance of the best performing Council, or the SOCITM upper quartile figure, whichever is the best. |

| 1.3 | Contribution to the Councils' Strategic Objectives |
|-----|---------------------------------------------------|

<table>
<tr><td colspan="2"><strong>Three Rivers District Council</strong></td></tr>
<tr><td colspan="2">The ICT service helps to meet several of the strategic objectives identified within the Three Rivers Strategic Plan. The majority of the objectives fall within the area of 'Towards Excellence' in the plan.</td></tr>
<tr><td>Safer Communities</td><td></td></tr>
<tr><td>Sustainable Communities<br><br><strong>2.1.2</strong> <em>Improve access to benefits</em></td><td>The Three Rivers website contains information on the Benefits service provided by the Council. The site also contains a direct link to a benefits calculator service.</td></tr>
<tr><td>Towards Excellence<br><br><strong>3.1.1</strong> <em>We will develop, publish and monitor service standards for all services</em><br><br><br><strong>3.1.2</strong> <em>We will respond to complaints by learning and improving our services</em><br><br><strong>3.1.3</strong> <em>We will improve customer satisfaction</em><br><br><br><br><br><strong>3.2.1</strong> <em>We will ensure our service provide value for money</em></td><td><br><br>The ICT service has a formal service level agreement in place with Steria which commits them to achieving acceptable performance standards. A document reporting performance against these standards is published on a monthly basis<br><br>The ICT service follows the Council's corporate complaints procedure. To date, the service has received no formal complaints.<br><br>Customer satisfaction surveys are completed annually to assess the current levels of satisfaction with the IT service and asks specific service related questions to help identify areas of improvement in the service. The results of the customer satisfaction survey are submitted to SOCITM for inclusion in a national benchmarking exercise.<br><br>All procurements follow relevant guidelines to ensure that value for money is being achieved. This will be either by seeking multiple quotations for low value items or by following a formal tender process for higher value items. In April 2008, the service was the subject of a Value for Money study presented to the Resources Policy Panel.</td></tr>
</table>

| **Three Rivers District Council** | |
| --- | --- |
| Towards Excellence (continued) | |
| *3.3.1 We will manage and reduce risk* | Service risks are included in the ICT service plan and monitored on a regular basis. The risk management section of this plan includes a categorisation of the risk and an action plan for its management Any project initiation documents completed by the service will include a risk register for the project. |
| *3.3.2 We will ensure internal processes produce accurate outputs* | The service standards within the Steria SLA determine the times customers can expect to wait for problems to be resolved. Performance against these targets is reported on a monthly basis. |
| *3.3.4 We will continue to improve the Council's performance* | The ICT service participates in the annual SOCITM benchmarking study to help identify areas of under performance in areas of either cost or quality. The IT service has also achieved Charter Mark status and has annual health checks to ensure the quality of service is being maintained and that areas of non-compliance are improved. |
| *3.4.1 We will ensure employees are properly trained, developed and motivated'* | The ICT service has included a provision of 50 IT training days within the Steria contract to ensure that all staff have to opportunity to be trained on the software packages used by the Council. These days can also be used to provide more specialist training to the ICT staff within the Shared Service. |

| **Watford Borough Council** | |
| --- | --- |
| An Efficient, Effective, Value for Money Council | |
| *Putting our customers at the heart of the Council* | Service priority within this plan: Embedding Equalities Level 3 / Equalities Action Plan (Business Manager)<br><br>CSC development (Business Manager)<br>    Continue upgrade Lagan/Uniform<br>    Further develop self service<br><br>Develop more interactive / transactional website (Business Manager) |
| *Delivering Value for Money* | Service priority within this plan: Integration into Shared Services (Head of Service) |

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| Watford Borough Council | |
|---|---|
| An Efficient, Effective, Value for Money Council (continued)<br><br>*Focusing on performance to drive a culture of service excellence* | Service priority within this plan:<br>Develop and implement programme to strengthen and modernise infrastructure (ICT Manager)<br>   ▪   Connecting outposts (ensuring cost / benefit achieved)<br>   ▪   Prepare network for Shared Service Integration (ICT Manager)<br><br>Service priority within this plan:<br>Information management (ICT Manager)<br>   ▪   Email and data archiving<br>   ▪   Data warehousing / G drive<br><br>Service priority within this plan:<br>Develop customer relations (All)<br>   ▪   Two way dialogue with customers<br>   ▪   Role definition<br>   ▪   Setting and communicating priorities<br><br>Service priority within this plan:<br>Residual Leisure & Housing (Business Manager)<br>   ▪   Outpost (Museum, etc)<br>   ▪   Reverse SLA with WCHT<br><br>Service priority within this plan:<br>  Plan for Civica upgrade if no Shared Services (AP)<br><br>Service priority within this plan:<br>PKI (ICT Manager)<br><br>Service priority within this plan:<br>Information Security Policy (Head of Service)<br><br>Service priority within this plan:<br>Review policies (All)<br>   ▪   Information security<br>   ▪   Printing<br>   ▪   Internet / email<br>   ▪   Desktop |

| Watford Borough Council | |
|---|---|
| An Efficient, Effective, Value for Money Council (continued) | |
| *Focusing on performance to drive a culture of service excellence (continued)* | Service priority within this plan:<br>Review & improve the helpdesk function (ICT Manager )<br><br>Service priority within this plan:<br>Support delivery of Customer Access Strategy<br>    ▪  SMS<br>    ▪  Other areas to be identified |
| A Town with a High Quality Environment | |
| A Safer Town | |
| A Healthy Town | |
| A Good Town for Business, Skills & Learning | |
| A Well-informed Community where everyone can contribute | |
| A Town to be Proud of | |

## 1.4        The Future of the Service

Three are a number of potential opportunities facing the shared ICT service over the coming years. These will be considered as the first stage of shared services implementation is completed. These developments could include:

- Consider the business case and where necessary implement new technologies such as, server virtualisation and IP based telephony
- Plan for the harmonisation of software used within the out of scope services to help achieve greater savings for the partner Councils
- Consider the possibility of achieving Service Excellence standards for the ICT Shared Service and potentially help the Shared Service in general achieve the standard
- Market and subsequently expand the ICT shared service to other Authorities

**SECTION 2:  INPUTS**

| 2.1 | People |
|---|---|

ICT Shared Services: Organisation Chart on appointment of Head of Service
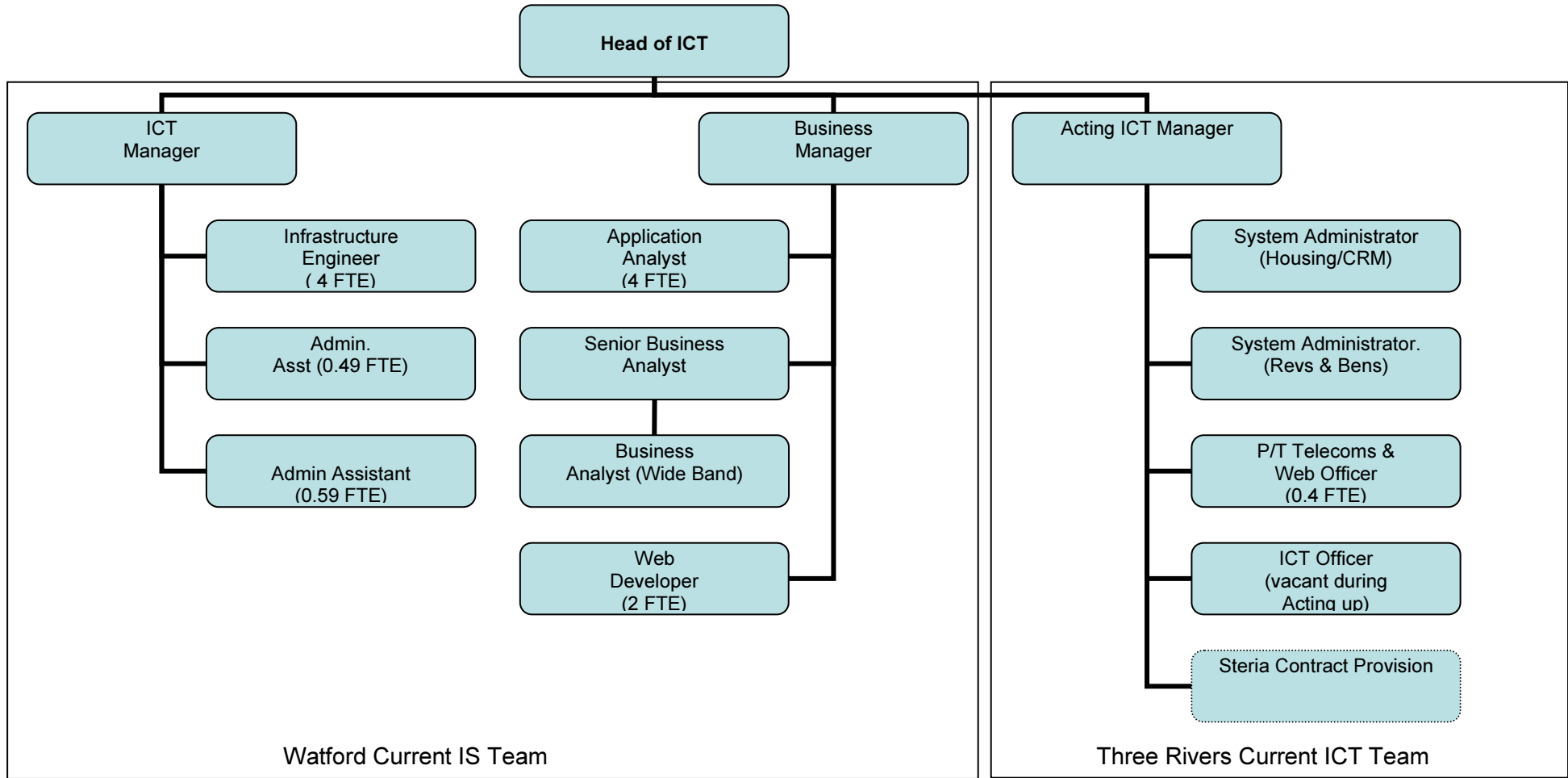


The above diagram represents the current ICT Staffing structure at both councils.

| Job Title | No. | FTEs | 'Vacant' |
|---|---|---|---|
| Head of ICT | 1 | 1 | |
| Business Manager | 1 | 1 | |
| ICT Manager | 1 | 1 | |
| Acting ICT Manager | 1 | 1 | |
| ICT Officer | 1 | 1 | 1 |
| Infrastructure Engineer | 4 | 4 | |
| Admin Assistant | 2 | 1.08 | |
| Application Analyst | 4 | 4 | |
| System Administrator | 2 | 2 | |
| Web Developer | 2 | 2 | |
| Telecoms and Web Officer | 1 | 0.4 | 1 |
| Senior Business Analyst | 1 | 1 | |
| Business Analyst | 1 | 1 | |

Shared Services Organisation Chart - April 2010: following expiry of the existing Steria contract

```
                          ┌─────────────────┐
                          │   Head of ICT   │
                          └────────┬────────┘
              ┌────────────────────┴────────────────────┐
    ┌─────────────────┐                        ┌─────────────────┐
    │ Infrastructure /│                        │ Business Manager│
    │ Contract Manager│                        │                 │
    └────────┬────────┘                        └────────┬────────┘
             │                    ┌──────────────────────┼──────────────────────┐
    ┌─────────────────┐  ┌─────────────────┐  ┌─────────────────┐  ┌─────────────────┐
    │ Infrastructure  │  │ Web Analyst x 2 │  │ Business Analyst│  │  Application    │
    │  Analyst x 6    │  │                 │  │      x 3        │  │  Analyst x 8    │
    └─────────────────┘  └─────────────────┘  └─────────────────┘  └─────────────────┘
```
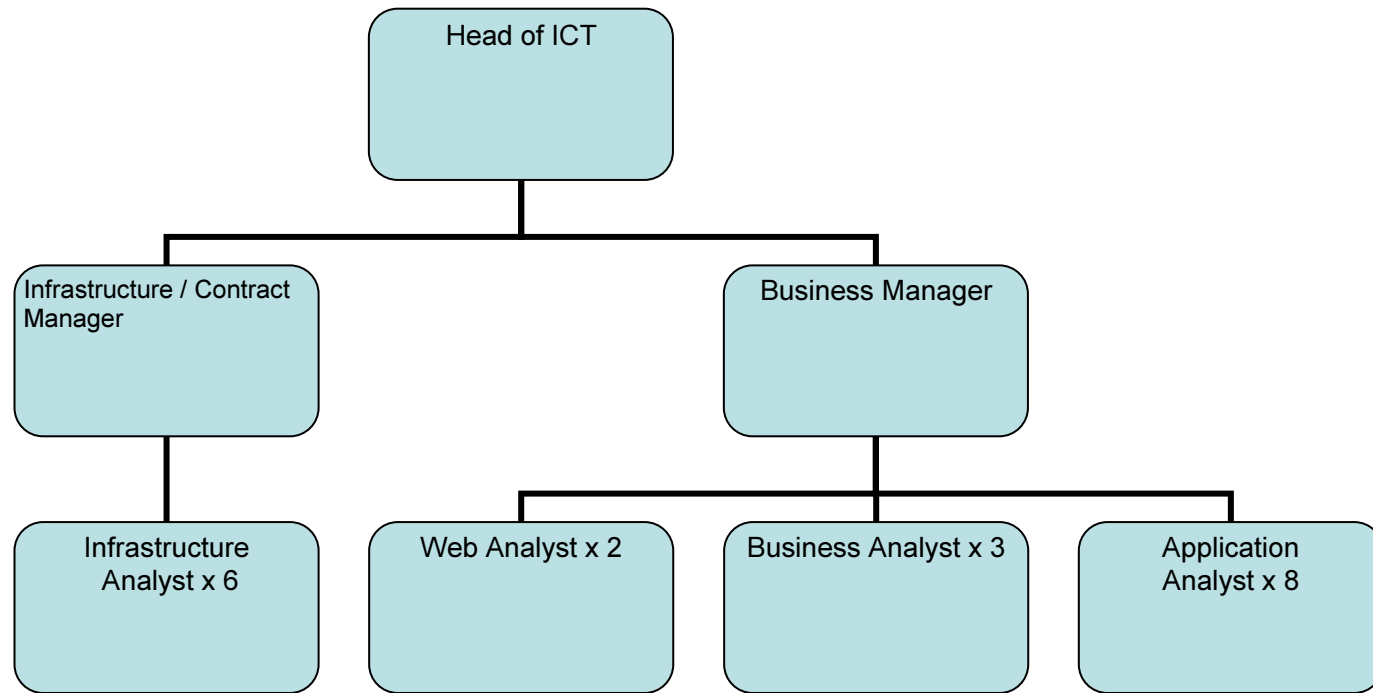
| Job Title | Grade | No. | FTEs |
|---|---|---|---|
| Head of ICT | TBA | 1 | 1 |
| Business Manager | TBA | 1 | 1 |
| Infrastructure / Contract Manager | TBA | 1 | 1 |
| Infrastructure Analyst | TBA | 6 | 6 |
| Application Analyst | TBA | 8 | 8 |
| Web Analyst | TBA | 2 | 2 |
| Business Analyst | TBA | 3 | 3 |

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| 2.2 | Workforce Planning |
|-----|--------------------|

Overview

The ICT Shared Service will be providing a service which will meet the demands of the service departments and will strive to maintain and improve upon existing service levels. It is recognised however that the developments within the service departments will have a significant demand on the ICT team, particularly when the work is unplanned of scheduled at short notice. In order to alleviate this problem, it is expected that the ICT team should be involved in the service planning process at each council in order to fully understand the requirements of the services and to be able to plan the required resources. Despite having added resilience form the larger team, resources are still likely to be stretched. This will be less of a concern while the Steria contract is still in place, but may become more of a problem if a decision is made to end this contract.

In instances where resources are not available for project implementations, external resources may need to be brought in on a short term basis.

Prior to the end of the Steria contract, an analysis of the skills required to cover the loss of Steria resources will be required. It may be that additional training will be required for the Infrastructure Analysts if adequate skills do not exist in the Shared Service by that time.

| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
|---|---|---|---|
| Ending of the Steria contract would result in an increase of Infrastructure Analyst posts to cover the increased workload of the service taking on the technical element of IT services for Three Rivers formerly provided by Steria | An increase of establishment by two posts | A full options appraisal will be required to ascertain the best course of action at the end of the Steria contract. The options will be presented to Members of the Joint Committee and both Councils for a decision to be made. Options could include a full in-house service, specific elements provided by a supplier, a fully managed service, partnership with County Council, etc. The Shared Services Business Case currently assumes that the services currently provided by Steria will transfer to the shared services at the end of the contract. | The financial implications of ending the Steria contract would be a saving of approximately £460,000 per annum. There would be an increase of 2 full time posts, which will be quantified financially following the evaluation of posts in the Shared Service structure. Expertise currently provided by Steria would need to be incorporated into the Shared Services structure – a skills gap analysis would therefore be required and any necessary training given. |

| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
|---|---|---|---|
| The reorganisation of other in scope services, namely Revenues and Benefits and Finance, would result in two posts being included in the ICT structure. These posts would be Application Analysts, who would be responsible for the application support role moved away from the service departments | An increase of establishment by two posts | An alternative option would be to retain the system admin role within the service departments rather than ICT. However, this would result in single points of failure within the service departments, rather than generic Application Analysts within ICT team who would be able to provide a more resilient service.<br><br>A fully managed service would be an option, where the supplier could manage both the technology used within the service and the service itself. This would mean the System Admin functions would be the responsibility of the supplier | The increased resilience of the Application support / system admin role within ICT would provide a better service to the users. It is also expected that these people could provide a better service as their skills level could increase as they would be working and sharing knowledge with other application analysts.  This would represent 2 full time posts within ICT, which will be quantified financially following the evaluation of posts in the Shared Service structure. |
| Service software implementations within Shared Services are likely to draw upon the staff resources within ICT. The requirements could be based upon technical input, project management or business analysis expertise. | All staff within the Shared Services structure could potentially be affected by the other service implementations. External assistance could potentially be required if resourcing for several projects is required at one time. | Careful planning of the other system implementations is required to ensure that necessary resources from ICT are available to assist. An alternative option would be to rely more heavily on external expertise being brought in on a project by project basis, although this would mean skills would be not be retained following the completion of the project and the Councils could therefore be in a more vulnerable position. | It may prove difficult to maintain service standards in the event of there being a particularly high demand on the skills of the ICT team during major implementations. |

| 2.3 | Partnerships & Contracts |
|---|---|
| Partner / Partnership | Expected Outcomes |
| Steria ICT Facilities Management Contract | Contract to provide technical expertise to the Three Rivers component of the ICT service. This contract runs for five years until its expiry on 31 March 2010. |
| ICM Disaster Recovery | This contract provides disaster recovery (DR) facilities to Three Rivers District Council. The contract covers the DR arrangements for all critical IT applications and provides for 85 workstations at the DR recovery centre in Uxbridge. |
| Adam Disaster Recovery | This contract provides disaster recovery (DR) facilities to Watford Borough Council. The contract covers the DR arrangements for all critical IT applications. |
| Various software supply and maintenance contracts | Both IT services at the two Councils have contracts with software suppliers to provide software applications to the service departments. Over time, it is expected that contracts of this type will be harmonised wherever possible. |
| Hardware maintenance contracts | Maintenance contracts exist within both ICT teams to cover the breakdown of essential computer hardware which is no longer under manufacturer warranty. It is expected that these contracts could also be harmonised to bring potential savings. |

| 2.4 | Assets & Technology |
|-----|---------------------|

The ICT service will own all ICT assets used within the two Councils. They include:

- Networking equipment and servers
- Desktop PCs / terminals
- Handheld PDAs
- Notebook computers
- Data Projectors
- Desktop telephones
- Departmental printers

The service is responsible for managing the corporate ICT infrastructure comprising of application servers and networking hardware.
A full inventory of the equipment used with the Council buildings is available if required

Systems used within the Councils are as follows:

**ICT Service**
- Touchpaper (helpdesk system)
- Adobe Acrobat Pro, Dreamweaver, Fireworks & Flash
- MS Visual Studio, Visio
- Ebase Technology (e-forms)
- Hyena
- Imaging software [Acronis & Ghost]

**Corporate Services**
- Telephony: Avaya Definity telephone switches
- Network & Servers
  - T-Scale
  - MS Terminal Servers
  - Solarwinds
  - Remote Control [PC Duo & VLC]
  - Backup Software [Veritas Backup Exec & ArcServ]]
  - File Monitoring [Treesize Professional]

- Security
  - VPN (Appgate & Netilla)
  - Websense and Webtrends website management software
  - Trend Neatsuite virus control
  - Surf Control – e-mail content filter
- Disaster Recovery
- Website
- Microsoft Office Professional

**Three Rivers Specific**
- DM Anite@work for Revs & Bens, Creditors, Building Control

**Watford specific**
- DM Anite@work for Revs & Bens + IDOX for Planning

**Applications / Projects**
- Uniform: Planning, DC, BC, LLPG - Watford only EH, ES,
- Northgate M3
- Geographical Information System [GIS]
- Finance System [PowerSolve & Aptos] [ICON Cash Receipting & ACR Cash Receipting and REMIT Income Distribution] [ALBACS IP Payments System & XXXXXXXXXXXXXXXX]
- CRM System [LAGAN & PRO ACTIVE]
- Electoral Services [Halarose & Pickwick]
- Revenues & Benefits [Civica & Academy]
- Housing [Academy & Orchard]
- Legal & Democratic [SOLCASE & OMS Pericom]
- Human Resources [Intellect & Chris]
- Profit Centre [Housing & Alace]

## 2.5 Shared Services Operating Costs and Recharges

| Code | To be extracted from Detailed Business Case | 2008/09 Revised £ | 2009/10 Original £ | 2010/11 Forecast £ | 2011/12 Forecast £ |
|---|---|---|---|---|---|
| | Shared Services Operating Costs | | | | |
| | Employees | | | | |
| | Premises | | | | |
| | Transport | | | | |
| | Supplies & Services | | | | |
| | Contracted & Agency Services | | | | |
| | Income | | | | |
| | Sub-Total | | | | |
| | | | | | |
| | Recharge to Councils | | | | |
| | Three Rivers District Council | | | | |
| | Watford Borough Council | | | | |
| | Sub-Total | | | | |
| | Total | 0 | 0 | 0 | 0 |

## 2.6 Implementation Costs

| | | 2009/10 £ | 2010/11 £ | 2011/12 £ |
|---|---|---|---|---|
| 1 | Revenue Implementation Costs | | | |
| | List here items of cost from Detailed Business Case | 0 | 0 | 0 |
| | Total | 0 | 0 | 0 |
| 2 | Capital Implementation Costs | | | |
| | List here items of cost from Detailed Business Case | 0 | 0 | 0 |
| | Total | 0 | 0 | 0 |

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**SECTION 3:   OUTPUTS AND OUTCOMES**

| 3.1 | Stakeholder Consultation |
|-----|--------------------------|

Stakeholder consultation is an important part of the ICT service as the needs of the customer are important in establishing the direction of the service and shaping future strategy. There are a number of stakeholder groups who have a say on the direction of the ICT service, each of whom are listed below:

All Office based workers

| Who / types | Approximate numbers | Location | Consultation |
|-------------|---------------------|----------|--------------|
| All office based workers | 750 | Office locations within the boundaries of the two authorities | User group meetings, staff satisfaction surveys, all staff e-mail, intranet, post call survey, Telematics steering group |
| Remote workers | 120 | Any location within the immediate geographic location of the two Authorities | As above |
| Public | All residents and businesses within the two authority areas plus other members of the public living outside of the area | Customers living / working within the area covered by the two Authorities. Less commonly, residents elsewhere in the country who my be future users of the Authorities' services | No direct consultation unless specific input is required on public facing IT developments (i.e. redesign of website) |
| Councillors | 84 | Predominantly at home or work, within close proximity of the Councils' offices | Communication via democratic services and party secretaries, regular meetings with portfolio holders the quarterly meeting plus and update reports to joint committee and other committee where called in. |
| Suppliers / profit centre | 100 | | Quarterly meetings with account managers, split into ICT meeting to discuss financials and ICT specific issues and a session involving representatives of the |

| | | | user community to inform about future product improvements. Monthly Account Managers meeting with Steria. |
|---|---|---|---|
| Trade Union / staff representation | 5+ | Council Offices | Ad hoc consultation re staffing issues and organisational change issues |

This service plan has been developed jointly by the ICT management at Watford and Three Rivers Councils. In planning the document, consultation has taken place with the staff within the IT service and the Heads of the other Shared Services.

In earlier stages of the planning of Shared Services, customer workshops were conducted to ascertain the thoughts of service users from both Councils. The findings from these workshops were used to shape the initial operating model for the service.

As separate services, both Watford and Three Rivers have mechanisms in place to consult with staff. These consultation methods help shape the direction of the service by ensuring that the management are aware of service users' needs.

## 3.2 Service Level Agreements

**SLAs between shared services and the councils**

As part of the development of the operating model for the ICT service, internal customers were consulted and draft output specifications produced.  The shared services team will use this as a starting point to develop and establish formal Service Level Agreements (SLA) between the ICT service and its customers at both councils.  As part of the Service Level Agreements, performance standards will be identified as well as performance indicators that will be used internally by the shared service, some of which have been included in this service plan.  The process for monitoring performance against SLAs is being developed and will be agreed with the Joint Committee.  It is expected that SLAs will be established by March/April 2009.

**SLAs between shared service and other organisations**

There is an ICT service level agreement between Three Rivers Council and Steria. This SLA has details of all the different aspects of service provision in place at the Council. The performance of Steria against this SLA is monitored on a monthly basis and any failures reported to the Three Rivers ICT management. If performance drops below an acceptable level, then penalty costs may be incurred by Steria. The SLA between Steria and Three Rivers will remain in place until the contract ends on 31 March 2010.

There is also a Service Level agreement between the existing Three Rivers ICT service and Thrive Homes, who provide the Housing function to Three Rivers. This agreement has been in place since March 2008 and will run until notice is given by either party to end the contract.

### 3.3 Performance Indicators

| Reference KP11 | User Satisfaction | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | **To measure the extent to which users are satisfied with the ICT services they receive** | | | | | | | | | | | | | | |
| Target | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| TRDC | N/A | N/A | N/A | 5.65 | N/A | N/A | N/A | 5.65 | N/A | N/A | N/A | 5.65 | N/A | N/A | N/A | 5.65 |
| Watford | N/A | N/A | N/A | 5.65 | N/A | N/A | N/A | 5.65 | N/A | N/A | N/A | 5.65 | N/A | N/A | N/A | 5.65 |
| Outcome | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance:**
Score is calculated annually and reported during quarter 4 of any given year. This target is based upon existing performance levels, although it should be recognised that services during the Shared Services implementation may be stretched and performance consequently affected.

| Reference KP12 | Resolution of reported incidents | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | **To measure the efficiency of the ICT unit in restoring the service within an agreed timescale after an operational incident has been reported by a user** | | | | | | | | | | | | | | |
| Target | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| TRDC | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% |
| Watford | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% |
| Outcome | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance:**
Score is calculated annually and reported during quarter 4 of any given year. This target is based upon existing performance levels, although it should be recognised that services during the Shared Services implementation may be stretched and performance consequently affected.

| Reference KP14 | Acquisition cost of workstation | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | To measure the total procurement cost of a workstation | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | N/A | N/A | N/A | 665 | N/A | N/A | N/A | 600 | N/A | N/A | N/A | 550 | N/A | N/A | N/A | 525 |
| Watford | N/A | N/A | N/A | 665 | N/A | N/A | N/A | 600 | N/A | N/A | N/A | 550 | N/A | N/A | N/A | 525 |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance:**
Score is calculated annually and reported during quarter 4 of any given year. This target is based upon existing performance levels, although it should be recognised that services during the Shared Services implementation may be stretched and performance consequently affected.

| Reference KP15 | Cost per connection to voice network | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | To measure the total life cycle costs of a connection to the corporate voice network | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | N/A | N/A | N/A | 190 | N/A | N/A | N/A | 160 | N/A | N/A | N/A | 140 | N/A | N/A | N/A | 125 |
| Watford | N/A | N/A | N/A | 190 | N/A | N/A | N/A | 160 | N/A | N/A | N/A | 140 | N/A | N/A | N/A | 125 |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance:**
Score is calculated annually and reported during quarter 4 of any given year. This target is based upon existing performance levels, although it should be recognised that services during the Shared Services implementation may be stretched and performance consequently affected.

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| Reference KP16 | Cost per connection to data network | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | To measure the cost efficiency of providing the connection of a device to the corporate data network | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | N/A | N/A | N/A | 170 | N/A | N/A | N/A | 150 | N/A | N/A | N/A | 120 | N/A | N/A | N/A | 100 |
| Watford | N/A | N/A | N/A | 170 | N/A | N/A | N/A | 150 | N/A | N/A | N/A | 120 | N/A | N/A | N/A | 100 |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance:**
Score is calculated annually and reported during quarter 4 of any given year. This target is based upon existing performance levels, although it should be recognised that services during the Shared Services implementation may be stretched and performance consequently affected.

| Reference KP17 | Support costs per workstation | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | To measure the cost efficiency of providing support for users of workstations | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | N/A | N/A | N/A | 190 | N/A | N/A | N/A | 190 | N/A | N/A | N/A | 190 | N/A | N/A | N/A | 190 |
| Watford | N/A | N/A | N/A | 190 | N/A | N/A | N/A | 190 | N/A | N/A | N/A | 190 | N/A | N/A | N/A | 190 |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance:**
Score is calculated annually and reported during quarter 4 of any given year. This target is based upon existing performance levels, although it should be recognised that services during the Shared Services implementation may be stretched and performance consequently affected.

| Reference KP18 | Workstations supported per support specialist | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | To measure the efficiency of the technical infrastructure and the productivity of support specialists | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | N/A | N/A | N/A | 189 | N/A | N/A | N/A | 179 | N/A | N/A | N/A | 169 | N/A | N/A | N/A | 159 |
| Watford | N/A | N/A | N/A | 189 | N/A | N/A | N/A | 179 | N/A | N/A | N/A | 169 | N/A | N/A | N/A | 159 |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance:**
Score is calculated annually and reported during quarter 4 of any given year. This target is based upon existing performance levels, although it should be recognised that services during the Shared Services implementation may be stretched and performance consequently affected.

| Reference KPI 10 | ICT competence of employees | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | To measure the competence of employees who use ICT facilities and training provided to ICT specialists employed in the central ICT unit | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | N/A | N/A | N/A | 5.06 | N/A | N/A | N/A | 5.10 | N/A | N/A | N/A | 5.15 | N/A | N/A | N/A | 5.21 |
| Watford | N/A | N/A | N/A | 5.06 | N/A | N/A | N/A | 5.10 | N/A | N/A | N/A | 5.15 | N/A | N/A | N/A | 5.21 |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance:**
Score is calculated annually and reported during quarter 4 of any given year. This target is based upon existing performance levels, although it should be recognised that services during the Shared Services implementation may be stretched and performance consequently affected.

| Reference KPI 15 | Service Availability | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | **To measure the availability of the ICT service to users during core working hours** | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| TRDC | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% |
| Watford | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% | N/A | N/A | N/A | 99% |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance:**
Score is calculated annually and reported during quarter 4 of any given year. This target is based upon existing performance levels, although it should be recognised that services during the Shared Services implementation may be stretched and performance consequently affected.

### 3.4 Benchmarking Information

Data from the Performance Indicators section has been shown on the table below against national benchmarking data provided by the Society of IT Managment (SOCITM).

| Measure: Cost | | | | | |
|---|---|---|---|---|---|
| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
| Cost per data connection | | | | | |
| Three Rivers | SOCITM Benchmarking Group | £188 | 18 out of 25 | Jan 2007 | |
| Watford | SOCITM Benchmarking Group | £172 | | Jan 2007 | |
| Cost per voice connection | | | | | |
| Three Rivers | SOCITM Benchmarking Group | £94 | 3 out of 25 | Jan 2007 | |
| Watford | SOCITM Benchmarking Group | £196 | | Jan 2007 | |
| Acquisition cost of a PC | | | | | |
| Three Rivers | SOCITM Benchmarking Group | £684 | 18 out of 26 | Jan 2007 | |
| Watford | SOCITM Benchmarking Group | £665 | | Jan 2007 | |
| Support cost per workstation | | | | | |
| Three Rivers | SOCITM Benchmarking Group | £239 | 19 out of 26 | Jan 2007 | |
| Watford | SOCITM Benchmarking Group | £192 | | Jan 2007 | |

**Measure: Quality**

| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
|---|---|---|---|---|---|
| User Satisfaction | | | | | |
| Three Rivers | SOCITM Benchmarking Group | 5.64 out of 7 | 2 out of 22 | Jan 2007 | Note: In all cases the lower the ranking score the better is the result. |
| Watford | SOCITM Benchmarking Group | | | | No benchmark testing done last year due to other service priorities |
| Operation Incidents resolved within agreed service level | | | | | |
| Three Rivers | SOCITM Benchmarking Group | 99% | 1 out of 14 | Jan 2007 | |
| Watford | SOCITM Benchmarking Group | | | | No benchmark testing done last year due to other service priorities |
| Operational incidents resolved within 4 hours | | | | | |
| Three Rivers | SOCITM Benchmarking Group | 87% | 1 out of 21 | Jan 2007 | |
| Watford | SOCITM Benchmarking Group | | | | No benchmark testing done last year due to other service priorities |
| Operational incidents resolved within 8 hours | | | | | |
| Three Rivers | SOCITM Benchmarking Group | 93% | 2 out of 21 | Jan 2007 | |
| Watford | SOCITM Benchmarking Group | | | | No benchmark testing done last year due to other service priorities |
| Employee perception of the adequacy of IT training | | | | | |
| Three Rivers | SOCITM Benchmarking Group | 5.06 out of 7 | 1 out of 19 | Jan 2007 | |
| Watford | SOCITM Benchmarking Group | | | | No benchmark testing done last year due to other service priorities |

| 3.5 | | **Outstanding Recommendations of External Inspections** | | | | |
|---|---|---|---|---|---|---|
| Three Rivers – Deloitte – Internal Audit – Data Security July 2008 | | | | | | |
| *Action* | *Priority* | *Responsibility* | *Action to Date* | | *Resolved* | *(Original) Implementation Date* |
| The current ICT guidelines document should be developed into a formal IT Security Policy. | High | ICT Manager – Three Rivers | The Security Policy document is in the process of being prepared in accordance with audit and national (Government Connect) guidelines. | | x | October 2008 |
| Data residing on hard drives of all hardware disposed of or given to third parties should be made irrecoverable. e.g. shredding the hard disk or degaussing the hard disk. | High | ICT Manager – Three Rivers | Recommendation agreed. This recommendation will be followed whenever any equipment is returned to the hardware supplier for disposal. | | x | |
| Watford – Grant Thornton – External Audit Report 2008/09 | | | | | | |
| *Action* | *Priority* | *Responsibility* | *Action to Date* | | *Resolved* | *(Original) Implementation Date* |
| Establish appropriate personnel to sit on an IT Steering Committee.  Produce clear terms of reference.  Schedule regular meetings.  Communicate ongoing opportunities and risks regularly to the Heads of Service. | Medium | HoS | HoS will forward a recommendation to CMB seeking guidance whether our Corporate Management Board [CMB] wants a Steering Committee (Note: Shared Services will have an impact on this).  Depending on CMB's decision it will be implemented  General Service Risks are already logged in the Corporate Service logs | | Open | Depends on CMB's – Shared Service's guidance |

| 3.6 | Projects |
|---|---|

Shared service priority items:

- Establishment of a single IT service across the two Councils and the consolidation of IT related hardware wherever possible.
- Harmonised software applications across the services considered in-scope of Shared Services
- Relocation of WBC server environment
- Arrangements for end of Steria contract April 2010

Shared Services 'extended' Items:

- Consider the business case for new technologies such as, server virtualisation and IP based telephony
- Plan for the harmonisation of software used within the out of scope services
- Customer Services Excellence (new Charter mark). The Shared Services management team want to achieve the new Customer Service Excellence standard for all their services within 12 months.
- Market and subsequently expand the ICT shared service to other Authorities

Items from TRDC service planning:

- Government Connect compliant and connected to the Government Secure Intranet
- Options for the facilities Management contract considered and agreed arrangements in place from April 2010
- Consider the environmental impact of services and produce a strategy to reduce the carbon footprint of the ICT service
- Renewal of Microsoft Software Assurance
- Management of PC replacement programme
- Consider business case for server virtualisation
- Implement Thin Client computing

Items from WBC service planning:

- Government Connect compliant and connected to the Government Secure Intranet
- Making website interactive / transactional Phase 1
- Making website interactive / transactional Phase 2
- CSC continued development
- Voice over IP
- SMS / Digital TV / Video conferencing
- Continued GIS Development
- BIS Help Desk
- Residual Housing
- EDRM / Warehousing / Archiving
- Continued Uniform development
- DMS & Workflow
- Continued Business Process Review
- TLC
- Data Class G drive
- Mobile Working Phase1
- Mobile working Phase2

Project Initiation documents for all of these projects will be prepared in accordance with project management best practice. The involvement of the ICT team will vary depending upon the project. They will either lead the project or act in an advisory capacity.

| 3.7 | Equalities |
|-----|-----------|

**To be completed.**

| 3.8 | Risk Management |
|-----|-----------------|

**RISK REGISTER**

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|----------|------|--------|----------------------|--------------------------|----------------------|---|---|
| ICT 1 | Loss of Accommodation | Service Disruption | III | D | The loss of accommodation would result in all IT services being unavailable for a period of 36 hours. Following this time, the Disaster Recovery arrangements would be operational and IT services for critical systems would be available to key staff at separate accommodation | Requires Treatment | Yes |
| | | Financial Loss | III | | | Last Review Date | Nov 08 |
| | | Reputation | III | | | Next Milestone Date | May 09 |
| | | Legal Implications | III | | | Next Review Date | May 09 |
| | | People | III | | | Date Closed | N/A |
| ICT 2 | Insufficient staff | Service Disruption | III | D | Staff being unavailable for support technical services would have the most direct impact. Arrangements would need to be made to bring in temporary cover for the period of absence. The impact of this risk is expected to be reduced as improved resilience is brought to the service through cross training and better documentation of standard services. | Requires Treatment | Yes |
| | | Financial Loss | II | | | Last Review Date | Nov 08 |
| | | Reputation | III | | | Next Milestone Date | May 09 |
| | | Legal Implications | III | | | Next Review Date | May 09 |
| | | People | I | | | Date Closed | N/A |

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|
| ICT 3 | Contractor or system failure – main ICT systems suppliers and FM contractor | Service Disruption | II | D | All major contractors used within the Shared Service are checked for financial standing and reputation prior to the contract being signed. In the event of contractor failure, other suppliers would be sought to provide similar services. | Requires Treatment | No |
| | | Financial Loss | II | | | Last Review Date | Nov 08 |
| | | Reputation | II | | | Next Milestone Date | April 09 |
| | | Legal Implications | II | | | Next Review Date | April 09 |
| | | People | II | | | Date Closed | N/A |
| ICT 4 | Non-compliance with Data Protection Act and Freedom of Information Act | Service Disruption | II | D | All staff within the team will be trained to understand the implications of the Data Protection Act and Freedom of Information Act. The corporate responsibility for these Acts will not be the responsibility of the ICT Shared Service. | Requires Treatment | No |
| | | Financial Loss | II | | | Last Review Date | Nov 08 |
| | | Reputation | II | | | Next Milestone Date | April 09 |
| | | Legal Implications | II | | | Next Review Date | April 09 |
| | | People | II | | | Date Closed | N/A |
| ICT 5 | Failure to deliver the ICT Capital Programme | Service Disruption | III | C | If the ICT Capital programme is not delivered, then the most significant impact would be on the reputation of the service with the Councillors who would be less likely to approve capital funds in future years. There could also be a disruption to services if essential projects were not implemented on time or to quality standards. | Requires Treatment | Yes |
| | | Financial Loss | II | | | Last Review Date | Nov 08 |
| | | Reputation | III | | | Next Milestone Date | April 09 |
| | | Legal Implications | II | | | Next Review Date | April 09 |
| | | People | II | | | Date Closed | N/A |

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|
| ICT 6 | Loss of portable storage device containing sensitive data | Service Disruption | II | D | The loss of portable storage devices could potentially have legal implications through a breach of the Data Protection Act. It is also likely that the loss of data in this way would be reported in the press and therefore result in a damaged reputation for the Councils | Requires Treatment | Yes |
| | | Financial Loss | II | | | Last Review Date | Nov 08 |
| | | Reputation | III | | | Next Milestone Date | May 09 |
| | | Legal Implications | III | | | Next Review Date | May 09 |
| | | People | II | | | Date Closed | N/A |
| ICT 7 | Virus introduced to the network via storage device | Service Disruption | II | F | The shared ICT service will have comprehensive security processes in place to ensure that the best protection is given against the threat of software viruses. If a virus was introduced, it is expected that services would be interrupted while the virus was isolated and the network cleaned. | Requires Treatment | No |
| | | Financial Loss | I | | | Last Review Date | Nov 08 |
| | | Reputation | II | | | Next Milestone Date | May 09 |
| | | Legal Implications | I | | | Next Review Date | May 09 |
| | | People | I | | | Date Closed | N/A |
| ICT 8 | Software being removed from the corporate network | Service Disruption | I | E | Software licensing could be compromised by staff illegally removing software owned by the Council. Both of the individual councils have processes in place to reduce this risk and a combined solution will be put in place when the new shared service is operational. | Requires Treatment | No |
| | | Financial Loss | I | | | Last Review Date | Nov 08 |
| | | Reputation | I | | | Next Milestone Date | May 09 |
| | | Legal Implications | II | | | Next Review Date | May 09 |
| | | People | I | | | Date Closed | N/A |

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|
| ICT 9 | Sensitive e-mail being lost in e-mail / post system | Service Disruption | II | E | As with the loss of portable storage devices, there is a potential for mail (electronic or hard copy) being intercepted or misdirected. Information security procedure in place for shared services will specify that sensitive data should be treated with care and adequate security measures used when the information is being sent. | Requires Treatment | Yes |
| | | Financial Loss | II | | | Last Review Date | Nov 08 |
| | | Reputation | III | | | Next Milestone Date | May 09 |
| | | Legal Implications | III | | | Next Review Date | May 09 |
| | | People | II | | | Date Closed | N/A |
| ICT 10 | Disaster in Computer Centre | Service Disruption | V | E | The impact of this risk affects all services and the people affected would be customers and staff. E given because of past experiences which have been infrequent. | Requires Treatment | Yes |
| | | Financial Loss | Iii | | | Last Review Date | Nov 08 |
| | | Reputation | Iii | | | Next Milestone Date | Feb 09 |
| | | Legal Implications | I | | | Next Review Date | Feb 09 |
| | | People | iV | | | Date Closed | N/A |
| ICT 11 | Power Outage longer than 1 hour | Service Disruption | III | C | For this risk, all services disrupted, but for less time. The rating takes into account the current short term position at TRDC. The likelihood rating is based upon past experience. | Requires Treatment | Yes |
| | | Financial Loss | I | | | Last Review Date | Nov 08 |
| | | Reputation | I | | | Next Milestone Date | Feb 09 |
| | | Legal Implications | I | | | Next Review Date | Feb 09 |
| | | People | i | | | Date Closed | N/A |

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|
| ICT 12 | Sickness of 50% of staff | Service Disruption | III | | This risk is considered unlikely because it would be an epidemic. Supporting of services would be stretched. Impact on people relates to the remaining staff and public services being disrupted. | Requires Treatment | Yes |
| | | Financial Loss | Ii | | | Last Review Date | Nov 08 |
| | | Reputation | I | | | Next Milestone Date | May 09 |
| | | Legal Implications | I | | | Next Review Date | May 09 |
| | | People | III | F | | Date Closed | N/A |
| ailC T13 | Loss of key staff or expertise | Service Disruption | Ii | | This would result in localised disruption to services. The likelihood is high as it is virtually inevitable that staff will leave at some point. | Requires Treatment | Yes |
| | | Financial Loss | I | | | Last Review Date | Nov 08 |
| | | Reputation | I | B | | Next Milestone Date | April 10 |
| | | Legal Implications | I | | | Next Review Date | May 09 |
| | | People | i | | | Date Closed | N/A |
| ICT 14 | Day to day service delivery disrupted during implementation | Service Disruption | I | | Likelihood is high because resources will be stretched during system implementations. Individuals will be affected rather than whole services. | Requires Treatment | No |
| | | Financial Loss | I | | | Last Review Date | Nov 08 |
| | | Reputation | I | B | | Next Milestone Date | Aug 09 |
| | | Legal Implications | I | | | Next Review Date | Aug 09 |
| | | People | i | | | Date Closed | N/A |
| ICT 15 | Slow / unreliable network communication between TRDC and WBC | Service Disruption | III | | Services could be affected because of slow links. Network resilience will be established to avoid disruption, hence the low likelihood. | Requires Treatment | Yes |
| | | Financial Loss | I | | | Last Review Date | Nov 08 |
| | | Reputation | I | F | | Next Milestone Date | Feb 09 |
| | | Legal Implications | I | | | Next Review Date | Feb 09 |
| | | People | i | | | Date Closed | N/A |

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| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|
| ICT 16 | Unsuccessful management of IT implementations | Service Disruption | I | | Low likelihood because of emphasis on supplier to deliver projects with penalties incurred for failure. The financial loss is slightly higher because there may be extra licence costs if you need to parallel run systems while the new one beds in. | Requires Treatment | Yes |
| | | Financial Loss | Ii | E | | Last Review Date | Nov 08 |
| | | Reputation | I | | | Next Milestone Date | Aug 09 |
| | | Legal Implications | I | | | Next Review Date | Aug 09 |
| | | People | I | | | Date Closed | N/A |



| Likelihood | | | | | | |
|---|---|---|---|---|---|---|
| A | | | | | | |
| B | 14 | 13 | | | | |
| C | | | 2, 5,11 | | | |
| D | | 3,4 | 1,6 | | | |
| E | | 8,16 | 9 | | 10 | |
| F | | 7 | 12, 15 | | | |
| | I | II | III | IV | V | |

**Impact**

| Impact | Likelihood |
|---|---|
| V = Catastrophic | A = ≥98% |
| IV = Critical | B = 75% - 97% |
| III = Significant | C = 50% - 74% |
| II = Marginal | D = 25% - 49% |
| I = Negligible | E = 3% - 24% |
| | F = ≤2% |

Enter Risk number in matrix (left) against the highest impact classification for the risk and the appropriate likelihood classification taken from the table above.

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# RISK TREATMENT PLAN

| Risk Ref: | ICT 1 | Risk Title: | Loss of Accommodation | | |
|---|---|---|---|---|---|

| | | | | Impact | Likelihood |
|---|---|---|---|---|---|
| Responsibility | *Who is managing the risk?* | | Head of ICT | | |
| Consequence | *What can go wrong?*<br>*How can it go wrong?*<br>*Has it gone wrong before?* | | Loss of access to building where ICT staff are located<br>The building may be affected by a disaster taking it out of action for long periods, or by power failure meaning health and safety requirements prevent access<br>Power failure has occurred at TRDC resulting in 1 day without access. Neither site has experience long term disruption | | |
| Cause / Trigger | *What happens to bring the risk into being?* | | Major incidents such as fire, flood, bomb (real or threat) or loss of power to the building making it unsafe to enter. | | |
| Existing Control | *What controls exist now to minimise the risk?* | | Disaster Recovery arrangements are in place at TRDC to allow key staff to relocate to the Disaster Recovery test centre in the event of the building not being available. This provision allows for 85 staff to relocate. | | |
| Adequacy of Control | *What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?* | | Key staff could relocate from TRDC to the recovery centre. WBC staff could relocate to TRDC. | Impact<br>III | Likelihood<br>D |
| Further Action / Controls Required | *What gaps have been identified?*<br>*What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?* | | Further discussion could take place with HCC to identify alternative accommodation if the existing arrangements were deemed inadequate of unsuitable. This may also be a cheaper option rather than the existing Disaster Recovery arrangements | | |
| Cost / Resources | *Are there cost / resource implications in achieving the further action above?* | | HCC to provide standby accommodation which would have links to their data centre at Apsley, which would hold the WBC infrastructure. In time, TRDC may also be able to utilise this site. Costs for providing workstations at Apsley needs to be determined. | £ Enter cost here | |
| Current Status | *What is the current position on introducing additional controls? What is the current Risk Rating* | | The current status of the risk is that the TRDC staff could relocate to alternative accommodation. Arrangements for WBC staff can be put in place when spare office space becomes available | Impact<br>III | Likelihood<br>D |
| Critical Success Factor | *How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?* | | The risk action will have worked if disruption is minimised in the event of accommodation being unavailable i.e. staff are working within a pre agreed time i.e. 24 hours. | Impact<br>II | Likelihood<br>D |

| Risk Ref: | ICT 2 | Risk Title: | Insufficient Staff | | |
|---|---|---|---|---|---|
| Responsibility | | *Who is managing the risk?* | Head of ICT | | |
| Consequence | | *What can go wrong?*<br>*How can it go wrong?*<br>*Has it gone wrong before?* | The IT service that will be provided will be limited and as a result there will longer waiting times for resolutions and fixes.<br><br>It can go wrong whereby there is not enough capacity to deal with customer requests.<br><br>This has happened in the past. | | |
| Cause / Trigger | | *What happens to bring the risk into being?* | Long term staff absence or temporary staff absence. | | |
| Existing Control | | *What controls exist now to minimise the risk?* | Describe the controls that currently exist | | |
| Adequacy of Control | | *What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?* | Evidence is required – not just a statement that the controls are working. | Impact<br>III | Likelihood<br>B |
| Further Action / Controls Required | | *What gaps have been identified?*<br>*What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?* | At present the staff are not cross trained therefore certain requests have to wait before they are actioned.<br><br>To reduce the impact the proposal would be to build more resilience and have more staff cross trained in the shared services. | | |
| Cost / Resources | | *Are there cost / resource implications in achieving the further action above?* | Perhaps additional training costs? | £ Enter cost here | |
| Current Status | | *What is the current position on introducing additional controls? What is the current Risk Rating* | Enter here the 'status' of the risk, i.e. how it has changed over time, when the further controls are expected to take effect etc. | Impact<br>III | Likelihood<br>C |
| Critical Success Factor | | *How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?* | By the means of cross training and building up resilience other team members will be able to help on a particular issue whether it is related to the applications team or the infrastructure team. | Impact<br>III | Likelihood<br>C |

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| Risk Ref: | ICT 5 | Risk Title: | Failure to Deliver the ICT Capital Programme | | |
|---|---|---|---|---|---|
| Responsibility | | Who is managing the risk? | Head of ICT | | |
| Consequence | | What can go wrong? How can it go wrong? Has it gone wrong before? | Councillors may not be willing to approve and sign off funds in the future and it may become more difficult for services to obtain buy-in from them. Also, service implementations can also be affected. Potential financial losses through company insolvency It can go if the work has not been planned in advance. It also means that political and corporate targets cannot be met. | | |
| Cause / Trigger | | What happens to bring the risk into being? | Unable to deliver the capital project due to for example insolvency of supplier / implementation on time | | |
| Existing Control | | What controls exist now to minimise the risk? | Apply Prince 2 principles, financial status checks on suppliers before agreeing contract. Capital budget monitoring meetings takes place monthly at both Councils. | | |
| Adequacy of Control | | What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls? | Previous years capital programmes delivered successfully art both Councils. | Impact III | Likelihood C |
| Further Action / Controls Required | | What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong? | The gaps that have been identified is the impact that this has on large corporate projects. In order to reduce the likelihood of something going wrong it would be necessary to have a plan of action in place and for the project or implementation team to identify early on what whether or not the ICT capital programme work will be delivered to time and quality. If further resource is required this also needs to be identified. | | |
| Cost / Resources | | Are there cost / resource implications in achieving the further action above? | Perhaps additional resource to help deliver the project or implementation where required. | £ 1000 per day | |
| Current Status | | What is the current position on introducing additional controls? What is the current Risk Rating | No additional controls required | Impact III | Likelihood C |
| Critical Success Factor | | How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls? | In order to know that the action taken has worked would be by recognising the fact that ICT capital board projects and implementations are achieved on time and to budget. | Impact III | Likelihood C |

| Risk Ref: | ICT 6 | Risk Title: | Loss of portable data storage device containing sensitive data | | |
|---|---|---|---|---|---|
| Responsibility | | *Who is managing the risk?* | Head of ICT | | |
| Consequence | | *What can go wrong?*<br>*How can it go wrong?*<br>*Has it gone wrong before?* | Devices such as laptops, memory sticks, PDA's and CD's all have the ability to store data/information. Damage to reputation, loss of public confidence and trust. Sensitive data being used for unknown purposes. Breach of data protection act. Financial implications. It has gone wrong for other public sector bodies. | | |
| Cause / Trigger | | *What happens to bring the risk into being?* | Staff being unaware of the following policies, information and security and Internet and email policy. Staff and external suppliers not adhering to rules regarding the use of memory sticks. | | |
| Existing Control | | *What controls exist now to minimise the risk?* | Within Internet & Email policy (WBC) there is an explicit rule of not using memory sticks. This same guidance has been issued within the Information Security policy (WBC) | | |
| Adequacy of Control | | *What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?* | No current known loss of data from WBC or Three Rivers. | Impact | Likelihood |
| | | | | IV | B |
| Further Action / Controls Required | | *What gaps have been identified?*<br>*What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?* | Data can still be copied to laptop hard drives and CD's.<br><br>Education of staff of new Information Security (WBC) policy. Look at preventing staff from saving data locally. | | |
| Cost / Resources | | *Are there cost / resource implications in achieving the further action above?* | Staff time | £ Enter cost here | |
| Current Status | | *What is the current position on introducing additional controls? What is the current Risk Rating* | Implementation of WBC Information Security policy is imminent. | Impact | Likelihood |
| | | | | III | **D** |
| Critical Success Factor | | *How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?* | Risk can be tolerated. | Impact | Likelihood |
| | | | | III | E |

| Risk Ref: | ICT 9 | Risk Title: | Sensitive e-mail being lost in e-mail / post system | | |
|---|---|---|---|---|---|
| Responsibility | | *Head of Service* | Head of ICT | | |
| Consequence | | *What can go wrong?*<br>*How can it go wrong?*<br>*Has it gone wrong before?* | Loss of reputation (name and shame), embarrassment, claim for damage, loss of confidence | | |
| Cause / Trigger | | *What happens to bring the risk into being?* | Data loss due to email accidentally sent to the wrong addressee, data could be read (accidentally or deliberately) by the wrong person.<br><br>If encrypted data is sent the password could get lost | | |
| Existing Control | | *What controls exist now to minimise the risk?* | Data always to be transported per email and where sensitive to be encrypted.<br><br>Data on fat client laptops need to be encrypted | | |
| Adequacy of Control | | *What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?* | Not in place yet but part of implementing Information Security Policy based on BS7799 / ISO27001 and required for Gov Connect | Impact<br><br>III | Likelihood<br><br>E |
| Further Action / Controls Required | | *What gaps have been identified?*<br>*What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?* | Encryption tools and / or encrypted transmission<br><br>Put policies and procedures in place and to create a higher level of awareness with the staff | | |
| Cost / Resources | | *Are there cost / resource implications in achieving the further action above?* | Encryption software for 700 seats | £ 14K | |
| Current Status | | *What is the current position on introducing additional controls? What is the current Risk Rating* | Only agreed a policy. | Impact<br><br>same | Likelihood<br><br>same |
| Critical Success Factor | | *How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?* | Insert the answers to the questions. Will the impact and likelihood mean the risk can be tolerated / closed? | Impact<br><br>III | Likelihood<br><br>F |

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| Risk Ref: | ICT 10 | Risk Title: | Disaster in Computer Centre | | |
|---|---|---|---|---|---|
| Responsibility | | *Who is managing the risk?* | Head of ICT | | |
| Consequence | | *What can go wrong?*<br>*How can it go wrong?*<br>*Has it gone wrong before?* | Loss of Data<br><br>Loss of Service until DR kicks in + possible interruptions during back to normal process i.e. during restore or replacing servers<br><br>Air conditioning failure causing servers to "melt"<br><br>If DR correctly applied short time to back to normal but long time to repair all damages and ensure cost recovery | | |
| Cause / Trigger | | *What happens to bring the risk into being?* | Could be water leakage, mal function of air conditioning, fire, etc<br><br>Wrong concept for air-flow | | |
| Existing Control | | *What controls exist now to minimise the risk?* | DR with ADAM for trailer and generator | | |
| Adequacy of Control | | *What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?* | Previous flood – Service back up and running after 4 days (cheque payment) and service to public after one more day | Impact<br>V | Likelihood<br>E |
| Further Action / Controls Required | | *What gaps have been identified?*<br>*What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?* | Implement remote control for hardware<br><br>Move server farm to an environment with proper air conditioning, UPS and generator | | |
| Cost / Resources | | *Are there cost / resource implications in achieving the further action above?* | Remote Control for hardware WBC & TRDC<br>Move Server farm WBC & TRDC | £ 2 x 4K<br>2 x 60K | |
| Current Status | | *What is the current position on introducing additional controls? What is the current Risk Rating* | Temporarily high risk that the air conditioning will fail but back up with portable units and the cols season will help us survive till we move | Impact<br>IV | Likelihood<br>E |
| Critical Success Factor | | *How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?* | The measures in place will almost completely minimise the current number of single points of failure | Impact<br>IV | Likelihood<br>F |

| Risk Ref: | ICT 11 | Risk Title: | Power outage longer than one hour | | |
|---|---|---|---|---|---|
| Responsibility | | *Who is managing the risk?* | Head of ICT | | |
| Consequence | | *What can go wrong?*<br>*How can it go wrong?*<br>*Has it gone wrong before?* | Localised or more widespread power failure preventing ICT equipment from operating<br>A variety of reasons can cause power failure, all would have the same affect on the service<br>Power failure has occurred at TRDC resulting in 1 day without access. WBC has UPS systems in place, which allow the safe shutdown of servers. Neither site has experience long term disruption | | |
| Cause / Trigger | | *What happens to bring the risk into being?* | A failure of the electricity supply. This could result from a number of different causes | | |
| Existing Control | | *What controls exist now to minimise the risk?* | WBC has UPS systems in place to safely shut down hardware and a switchable power supply to manage some causes of power loss | | |
| Adequacy of Control | | *What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?* | There are no controls at TRDC top manage power loss. The controls at WBC would manage the safe shutdown of services and allow for power supply to continue in some instances of power loss. | Impact<br>III | Likelihood<br>C |
| Further Action / Controls Required | | *What gaps have been identified?*<br>*What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?* | TRDC to improve UPS facilities in the server room. Assurances that the server environment at Apsley has adequate power management in place. | | |
| Cost / Resources | | *Are there cost / resource implications in achieving the further action above?* | A capital bid of £30k has been approved at TRDC for a new UPS system. The relocation of WBC servers to Apsley has been costed separately. The improved power management facilities will come about as a by product of this move. | £ 30,000 | |
| Current Status | | *What is the current position on introducing additional controls? What is the current Risk Rating* | The current position is that the TRDC server environment is more vulnerable to power loss. WBC controls are adequate, but will be improved further still with the relocation to Apsley | Impact<br>III | Likelihood<br>C |
| Critical Success Factor | | *How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?* | The action will have worked if a power failure in the future has a minimum impact and services will be able to continue as normal. | Impact<br>II | Likelihood<br>C |

| Risk Ref: | ICT 13 | Risk Title: | Loss of key staff or expertise | | |
|---|---|---|---|---|---|
| Responsibility | | *Who is managing the risk?* | Head of ICT | | |
| Consequence | | *What can go wrong?*<br>*How can it go wrong?*<br>*Has it gone wrong before?* | Lack of key skills in areas will result in a drop in support and service. Impact on reputation as there will be a loss of confidence in BIS staff, frontline services may be affected which may therefore affect members of the public.<br><br>Unknown if this has occurred before. | | |
| Cause / Trigger | | *What happens to bring the risk into being?* | Possible skills gap not analysed and managed as the implementation of shared services begins. No cross training or knowledge sharing implemented which reduces the resilience within the team. | | |
| Existing Control | | *What controls exist now to minimise the risk?* | WBC – Currently looking at the cross training for Applications Analysts to improve resilience within the teams. Work and information documented where possible. Ensure that effective handovers are completed. | | |
| Adequacy of Control | | *What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?* | Some staff have the ability to support more than 1 application currently. | Impact<br>III | Likelihood<br>A |
| Further Action / Controls Required | | *What gaps have been identified?*<br>*What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?* | Gaps in knowledge have been identified. Work to cross train key staff, providing both internal and external training. | | |
| Cost / Resources | | *Are there cost / resource implications in achieving the further action above?* | External training course costs, internal staff time. | £ Enter cost here | |
| Current Status | | *What is the current position on introducing additional controls? What is the current Risk Rating* | Resilience will improve over time through appropriate training and knowledge sharing. Budgets may be an issue | Impact<br>II | Likelihood<br>B |
| Critical Success Factor | | *How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?* | Assessment of impact each time a member of staff leaves or is on annual leave – lessons learned?<br><br>Ongoing risk | Impact<br>See Impact Table | Likelihood<br>See Likelihood Table |

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| Version No. | Date | Reason for Update / Significant Changes | Made By |
|---|---|---|---|
| 0.1 | 08/09/03 | Draft for discussion of contents | DAG |
| 0.2 | 12/10/08 | Completed with general and TRDC information for initial workshop on 13/10/08 | TC |
| 0.3 | 22/10/08 | Updated following Board discussion and meeting between TC and LH | TC / LH |
| 0.4 | 23/10/08 | Inclusion of new section 2.4 from LH | LH |
| 0.5 | 27/10/08 | Updated following meeting between LH and TC – for circulation to ICT staff | TC / LH |
| 0.6 | 4/11/08 | Updates to Risk Register as a group WBC and TRDC | TC / LH / EH / BA |
| 0.7 | 4/11/08 | Consolidation of individual work on risk register | TC / LH / EH / BA |
| 0.8 | 4/11/08 | Further risk info added by team ready for consolidation | TC / LH / EH / BA |
| 0.9 | 5/11/08 | Completed risk table included ready for discussion at Board (6/11/2008) | TC / LH / EH / BA |
| 0.10 | 11/11/08 | Updates following Board discussion on 6/11/08 | TC |
| 0.11 | 03/12/08 | LH updates to WBC elements and updates to KPI targets following Board discussion | LH / TC |
| 1.1 | 05/12/08 | Draft Version – Joint Committee – 17 December 2008 | DAG |
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# THREE RIVERS
## DISTRICT COUNCIL

WATFORD
BOROUGH COUNCIL

# REVENUES AND BENEFITS SERVICE PLAN

# 2009 - 2012

Draft Version 1.1 – Joint Committee – 17 December 2008

**Shared Services Programme**

# CONTENTS

## SECTION 1: KEY PURPOSE OF THE SERVICE

| 1.1 | Scope of the Service |
|---|---|

The following activities will be the responsibility of the Revenues and Benefits Shared Service:
- Issuing of Council Tax and National Non-Domestic Rates Bills;
- Maintenance of database for billing purposes;
- Collection of payments of Council Tax and National Non-Domestic Rates Bills;
- Recovery of Council Tax and National Non-Domestic Rates Bills;
- Administration, assessment and payment of Housing Benefit and Council Tax Benefit;
- Issuing of bills for recovering of Housing Benefit and Council Tax Benefit Overpayment;
- Recovery of arrears of repayment of Housing Benefit and Council Tax Benefit Overpayment;
- Writing off of Housing Benefit and Council Tax Benefit overpayment in accordance with the policy of the relevant local authority;
- Compilations of returns to central Government relating to Revenues & Benefits;
- Provision of administrative and support services relating to Revenues & Benefits;
- Calculation of Council Tax Base;
- Collection fund accounting;
- Recommendation for approval of Discretionary Housing Payments
- Recommendation for approval of applications for discretionary National Non-Domestic Rate Relief and National Non-Domestic Rate Hardship Relief;
- Authorisation of officers to attend court for purposes relating to prosecutions for non payment of Council Tax and National Non Domestic Rates;
- Approval of write-offs of bad debts within the scope of the policies established by each Council for the write-off of bad debts.
- Preparation of benefit subsidy claims;
- To provide Management Functions to support both Revenues and Benefits

The following will be the responsibility of the relevant councils:
- Approving and Setting of Council Tax;
- Approval of benefit subsidy claims;
- Approval of discretionary Housing Payments;
- Approval of applications for discretionary National Non-Domestic Rate Relief;
- Approval of applications for discretionary National Non-Domestic Rate Hardship Relief;
- Determination of policy for second homes;
- Determination of policy for write off of bad debts

The service is currently provided from Three Rivers House and Watford Town Hall with local outlets in South Oxhey and Abbots Langley. A visiting service is also provided in Three Rivers.

Once the shared service is in place it will be based at Watford Town Hall with local outlets for benefits in South Oxhey and Abbots Langley. A visiting service will be available across the two councils' areas.

The services provided are a statutory function.

Over the past three years both councils have improved speed of processing new claims for benefit and changes in circumstances

In addition, Watford have
- achieved the highest collection rate in Hertfordshire for business rates
- introduced the same electronic document processing system in place at Three Rivers, and
- moved to payment of benefit by BACS

and Three Rivers have
- introduced daily quality assurance working on benefit claims
- introduced mobile working with a benefit assessor visiting new claimants in their homes to help with completing the application form and to collect the evidence required to support the claim
- achieved Charter Mark in 2006 and since then clear year one and two health check assessments

| 1.2 | Contribution to Shared Services Objectives |
|---|---|
| Savings | To be extracted from Detailed Business Case |
| Resilience | <ul><li>Across all the service teams in shared services, the larger overall size of each team will increase the resilience of the service. This will be further enhanced through the proposal to multi skill many 1st line support staff in all the shared services so that customer service is not compromised through any one person being out of the office.</li><li>The multi-skilling approach will also provide flexibility to reallocate workload and provide cover during holiday periods and sickness absence.</li><li>Being part of a larger team will also increase the pool of knowledge and expertise that councils can access as well as providing more opportunities to train and develop staff, which will improve retention.</li><li>Flexible and remote/mobile work practices are likely to be easier to introduce with a larger sized team.</li><li>Greater cover should enable leave and training to be scheduled more easily without detriment to the service.</li><li>There will be a greater resource to meet changes.</li><li>Specific examples include:<ul><li>NNDR where both councils have one officer only dealing with this and in their absence no substantial cover. Skills and knowledge in NNDR will be transferring to billing officers.</li><li>Quality and training officers will predominantly be working on benefits but will have exposure to revenues work also.</li><li>Reconciliations on council tax refunds, direct debits etc. are currently done by one officer in TRDC, and have been delayed when that officer is absent or busy on other matters, leading to criticism by auditors. The shared service will be adopting the WBC approach where work is done by billing officers. The test that this has achieved greater resilience will be reconciliations always being performed on time.</li><li>Recovery staff will deal with a diversity of collection – council tax, NNDR and housing benefit overpayments.</li></ul></li></ul> |
| Improved Services | <ul><li>Promotion of the use of electronic access and telephone, minimise face-to-face contact especially for revenues.</li><li>Cash-less, cheque-less, electronically enabled service</li><li>Increased levels of home-working</li><li>Possibility of providing a revenues and benefits service for other districts</li><li>Mobile working – taking the service to the customer – particularly vulnerable groups</li><li>Taking benefit services to the customer through the use of mobile technology which will allow benefits assessors to capture benefits claims information in the correct format, verify it and process claims quicker improving accuracy and reducing time spent on correcting errors.</li></ul> |

|  | <ul><li>The use of intelligent e-forms to improve productivity of less experienced benefits staff and enabling front line CSC staff to handle more benefits queries</li><li>Enable as much high volume, low complexity queries as possible to be resolved at first point of contact i.e. the Customer Service Centres of each council. The aim is for 80% of revenues queries and 60% of the benefits queries to be handled by CSC staff and the remainder to be passed directly to the shared service back office. It is envisaged that there will be a benefits specialist presence from the shared service located at each CSC to allow any face-to-face queries also to be resolved at first point of contact. Expert staff will be left to focus on more complex queries</li><li>Potential to reduce office space with increased levels of mobile and home working and reduction of paper through document image processing.</li><li>More responsive service due to larger size of team and increased joint resources</li><li>The introduction of a common revenues and benefits system across both councils will allow</li><li>Aim to reduce the volume of sundry invoices, particularly at Watford Borough Council and time taken to recover debt</li><li>The consolidation of all benefits processes under one manager, including any policy training and quality monitoring to ensure full accountability within one team</li><li>A centralised document processing team providing economies of scale to scan paperwork, process direct debits and provide general administrative support to the service allowing expert officers to concentrate on the areas in which they have been trained.</li></ul> |
|---|---|

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| 1.3 | Contribution to the Councils' Strategic Objectives |
|---|---|
| **Three Rivers District Council** | |
| Safer Communities | |
| Sustainable Communities<br>*2.1.2 Improve access to benefits* | As at end November 2008 new claims were being processed in 14.7 days compared to the speed of 22.15 days for the whole of 2007/08.<br><br>Since November 2007 we have introduced mobile working whereby we take the service out to our customers' homes when we receive a new claim for benefits.<br><br>In order to improve the accuracy of claims processed we check a high proportion of daily work which we have found to be an excellent way of identifying training needs. |
| Towards Excellence<br>*3.2.3 We will maximise the rate of revenue collection* | We have increased our targets for the collection of council tax and business rates and are continually reviewing better ways of recovering money owed to the Council. Since 2005/06 we have made effective use of collection tools such as means enquiries and the placing of charging orders on home-owners with council tax debts.<br><br>We have introduced more pro-active debt collection procedures and where it is appropriate will telephone our customers when we believe they may have overlooked payment. This has the added benefit to the customer of being able to avoid summons costs and gives us an ideal opportunity to promote payment by direct debit. |

| Watford Borough Council | |
|---|---|
| An Efficient, Effective, Value for Money Council | We are committed to the continued embedding of the Equalities Standard Level by improving access for customers from different backgrounds. Revenues and Benefits contribute to all of the corporate requirements of the standard and update the action plan quarterly. <br><br> Revenues and Benefits are contributing to value for money with the shared services programme. Additionally the bank has now agreed sponsorship to allow us to move to paperless debits with a live date of 1 December 2008 for the interim phase. <br><br> As part of shared services we will be replacing the existing revenues and benefits system and exploring mobile working for benefit assessments to contribute to drive a culture of service excellence. As part of the NNDR revaluation we shall be ensuring that the data base is accurate. |
| A Town with a High Quality Environment | |
| A Safer Town | |
| A Healthy Town | |
| A Good Town for Business, Skills & Learning | |
| A Well-informed Community where everyone can contribute | |
| A Town to be Proud of | |

## 1.4 The Future of the Service

First year
- Getting joint team established
- Implementing the system and changed business processes including greater use of mobile technologies to take benefits out to customers
- Greater use of CSC
- Harmonisation of back office/CSC split
- Establish a shared service performance monitoring regime against SLAs

Second year
- It is assumed that 2 NNDR officers' work could be absorbed by the Recovery and Billing teams after the first year of implementation. However, there is scope to retain these roles as separate NNDR roles if additional NNDR work from other councils were processed by this team.
- It is assumed that the improved benefits processes would be sufficiently bedded in following implementation to reduce the benefits officers from 20 FTE to 18 FTE.

Third year
- Increased performance
- Cash-less, cheque-less, electronically enabled service
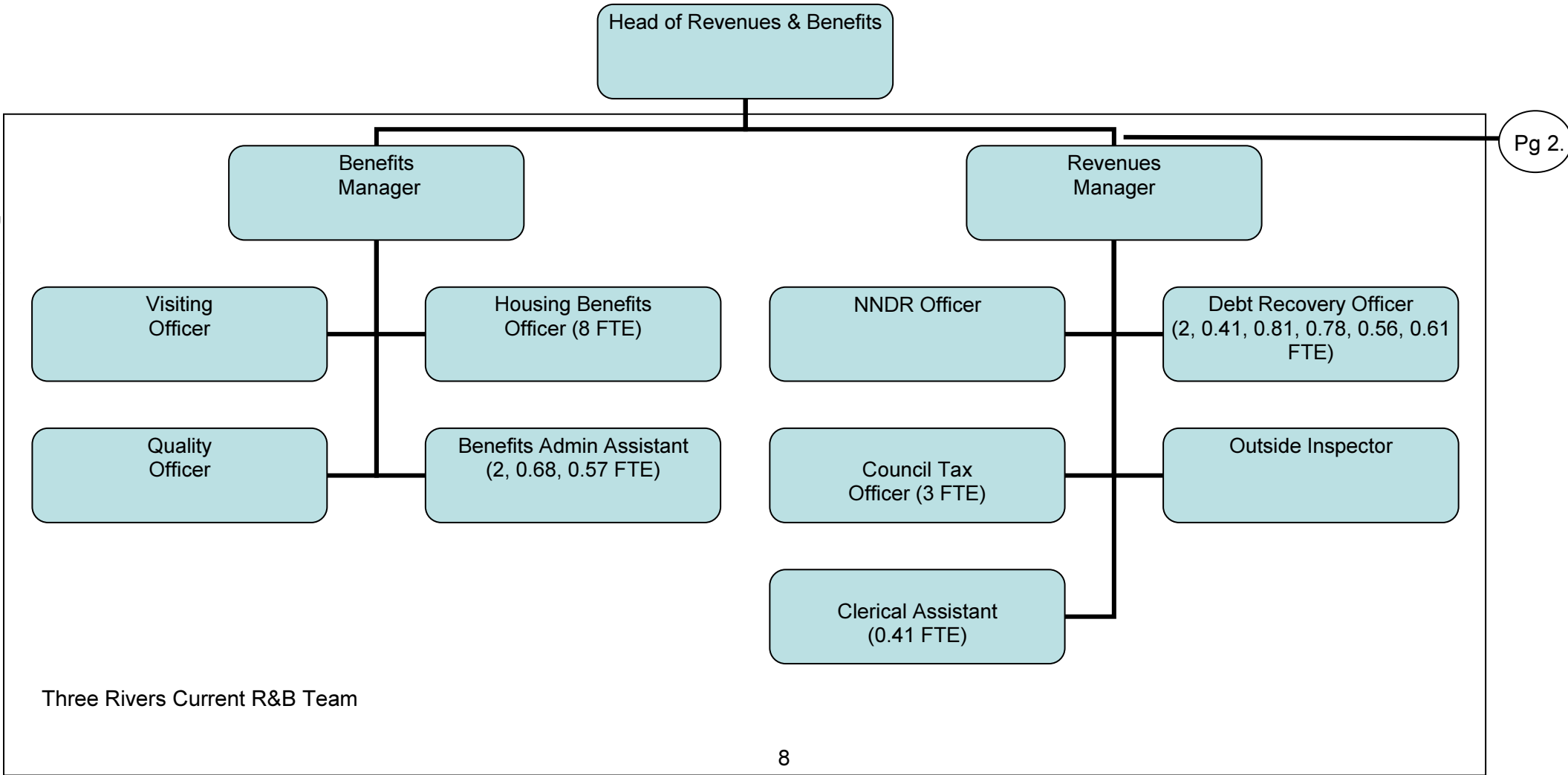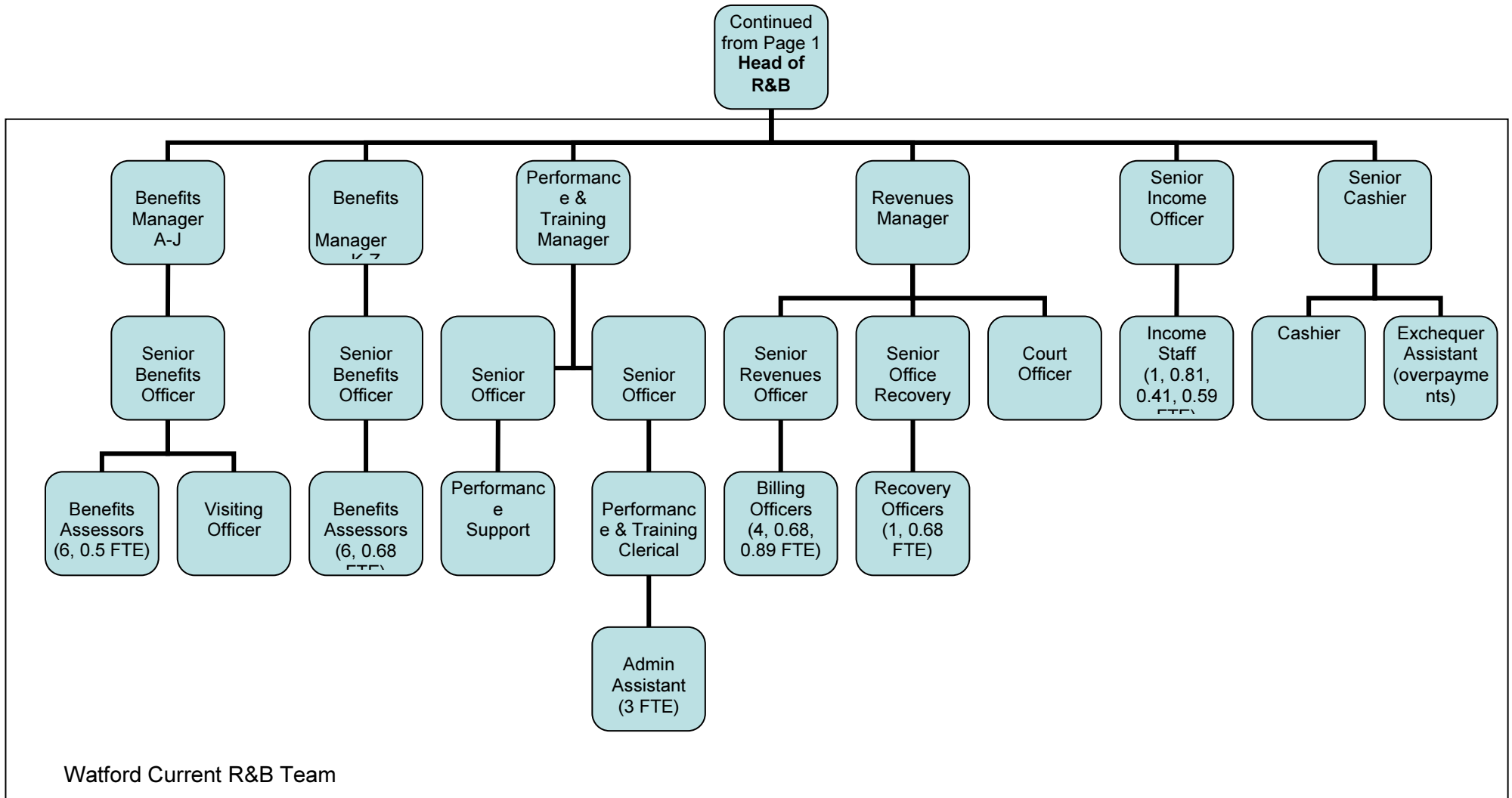- Increased levels of home-working

Longer term
- Possibility of providing a revenues and benefits service for other districts

**SECTION 2:   INPUTS**

| 2.1 | People |
|-----|--------|

**Revenues & Benefits Shared Services: Organisation Chart on appointment of Head of Service**

Head of Revenues & Benefits

Pg 2.

Benefits Manager

Revenues Manager

Visiting Officer

Housing Benefits Officer (8 FTE)

NNDR Officer

Debt Recovery Officer (2, 0.41, 0.81, 0.78, 0.56, 0.61 FTE)

Quality Officer

Benefits Admin Assistant (2, 0.68, 0.57 FTE)

Council Tax Officer (3 FTE)

Outside Inspector

Clerical Assistant (0.41 FTE)

Three Rivers Current R&B Team

Continued from Page 1
**Head of R&B**

Benefits Manager A-J

Benefits Manager K-Z

Performance & Training Manager

Revenues Manager

Senior Income Officer

Senior Cashier

Senior Benefits Officer

Senior Benefits Officer

Senior Officer

Senior Officer

Senior Revenues Officer

Senior Office Recovery

Court Officer

Income Staff (1, 0.81, 0.41, 0.59 FTE)

Cashier

Exchequer Assistant (overpayments)

Benefits Assessors (6, 0.5 FTE)

Visiting Officer

Benefits Assessors (6, 0.68 FTE)

Performance Support

Performance & Training Clerical

Billing Officers (4, 0.68, 0.89 FTE)

Recovery Officers (1, 0.68 FTE)

Admin Assistant (3 FTE)

Watford Current R&B Team

These diagrams represent the current R&B Staffing structure at both councils. As part of the implementation of Shared Services, the post holder will be responsible for implementing the proposed R&B structure, which is also attached, once approved by the Joint Committee.

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| Job Title | Grade | No. | FTEs | 'Vacant' |
|---|---|---|---|---|
| ***Three Rivers District Council*** | | | | |
| Exchequer Services Manager | MG4 | 1 | 1.00 | |
| Benefits Manager | MG2 | 1 | 1.00 | |
| Housing Benefits Officer | SO1 | 1 | 1.00 | |
| Housing Benefits Officer | Sc3-6 | 7 | 7.00 | |
| Quality Officer | Sc | 1 | 1.00 | |
| Benefits Admin Asst | Sc4 | 4 | 3.25 | |
| Visiting Officer | Sc4 | 1 | 1.00 | |
| Revenues Manager | MG2 | 1 | 1.00 | |
| Debt Recovery Officer | Sc6/SO1 | 1 | 0.81 | |
| Debt Recovery Officer | Sc5/6 | 3 | 1.75 | |
| Debt Recovery Officer (Fixed Term Contract) | Sc5/6 | 2 | 2.00 | |
| Debt Recovery Officer | Sc4/5 | 1 | 0.61 | |
| Outside Inspector | Sc3-4 | 1 | 1.00 | |
| Clerical Asst | Sc4 | 1 | 0.41 | |
| Council Tax Officer | Sc2-6 | 3 | 3.00 | |
| NNDR Officer | SO1 | 1 | 1.00 | |
| ***Watford Borough Council*** | | | | |
| Head of Revenues and Benefits | | | 1.00 | |
| Revenues Manager | | | 1.00 | |
| Senior Revenues Officer | | | 1.00 | |
| Billing Officer | | | 1.00 | |
| Billing Officer | | | 0.68 | |
| Billing Officer | | | 1.00 | |
| Billing Officer | | | 1.00 | |
| Billing Officer | | | 0.89 | |
| Billing Officer | | | 1.00 | |
| Court Officer | | | 1.00 | |
| Recovery Officer | | | 1.00 | |
| Recovery Officer | | | 0.68 | |
| Recovery Officer/Bailiff | | | 1.00 | |
| Recovery Officer | | | 1.00 | |
| Benefits Manager | | | 1.00 | |
| Benefits Manager | | | 1.00 | |

| Job Title | Grade | No. | FTEs | 'Vacant' |
|---|---|---|---|---|
| Senior Benefits Officer | | | 1.00 | |
| Senior Benefits Officer | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 0.50 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 1.00 | |
| Benefits Assessor | | | 0.68 | |
| Visiting Officer | | | 1.00 | |
| Senior Cashier | | | 0.82 | |
| Senior Income Officer | | | 1.00 | |
| Cashier | | | 1.00 | |
| Exchequer Asst (Overpayments) | | | 1.00 | |
| Income officer | | | 1.00 | |
| Income Officer | | | 0.81 | |
| Income Officer | | | 0.41 | |
| Income Officer | | | 0.59 | |
| R&B Train & Perform Manager | | | 1.00 | |
| Perform & Training Senior Officer (Benefits) | | | 1.00 | |
| Perform & Training Senior Officer (CTax/NNDR) | | | 1.00 | |
| Admin Asst | | | 1.00 | |
| Admin Asst | | | 1.00 | |
| Administrative Assistant | | | 1.00 | |
| Admin Support | | | 1.00 | |
| Performance & Training clerical | | | 1.00 | |

**Shared Services Organisation Chart**

**Revenues & Benefits Shared Services: Proposed Organisation Chart post restructure (to be approved by Joint Committee)**

```
                                    Head of R & B
                                    /          \
                          Revenues Mgr          Benefits Mgr
```

- Head of R & B
  - Revenues Mgr
    - Recovery Team Leader
      - Recovery Officer (9) Sundry Debt Officer (3.5)
    - Billing Team Leader
      - Billing Officers (7) Outside inspector (2) NNDR Officer (2 to 0)
    - Income Team Leader
      - Income Officer (1.82)
  - Benefits Mgr
    - Benefits Team Leader (2)
      - Benefits Officers (20 to 18)
    - Policy, Training & Quality Officers (3)
    - Document Processing Team Leader
      - Document Processing Support (5)
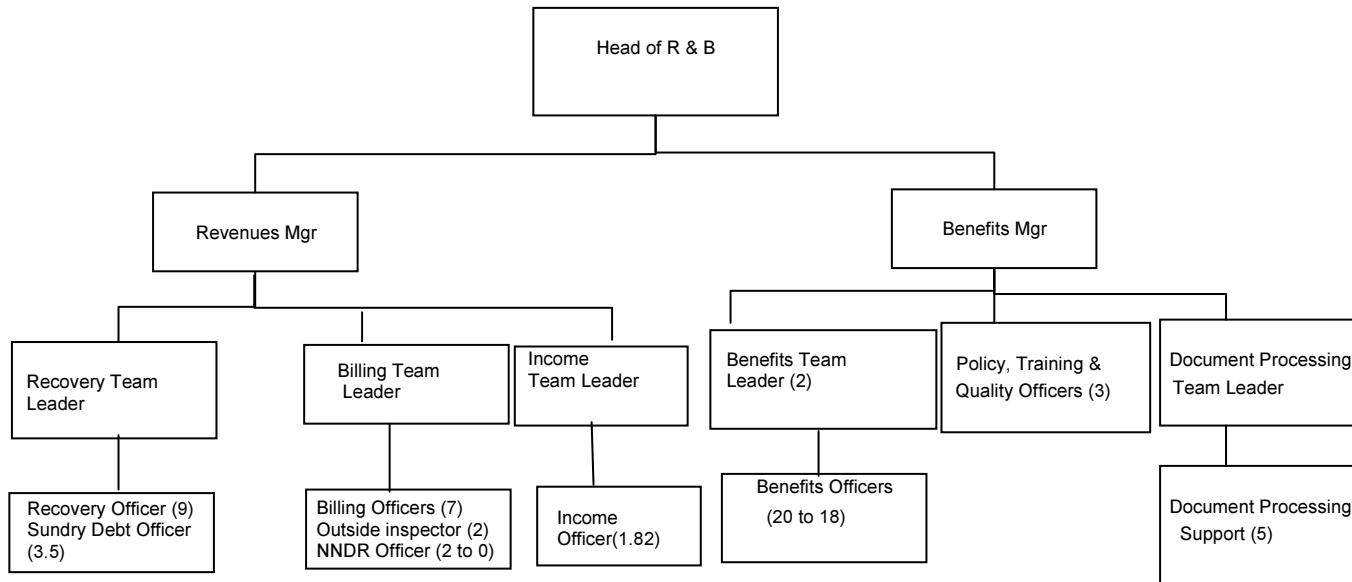
| Job Title | Grade | No. | FTEs |
|---|---|---|---|
| Head of Revenues and Benefits | | | 1 |
| Revenues Manager | | | 1 |
| Recovery Team Leader | | | 1 |
| Recovery Officer | | | 9 |
| Baling Team Leader | | | 1 |
| Billing Officer | | | 7 |
| Outside Inspector | | | 2 |
| NNDR Officer | | | 2 |
| Sundry Debt Officer | | | 2.5 |
| Income Team Leader | | | 1 |
| Income Officer | | | 1.8 |
| Benefits Manager | | | 1 |
| Benefits Team Leader | | | 2 |
| Benefits Officer | | | 20 |
| Policy, Training and Quality Officer | | | 3 |
| Document Processing and Support Team Leader | | | 1 |
| Document Processing and Support Officer | | | 5 |

| 2.2 | Workforce Planning |
|---|---|

Many of the workforce planning issues revolve around the changes involved in moving to a shared service.

| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
|---|---|---|---|
| Moving to Shared Services | There will be change in the scope of job roles and a re-engineering of current business.<br><br>There will be a shortage of posts to people in some areas and vice versa in others. This would lead to a loss of knowledge and experience.<br><br>Bringing together the staff from two councils means that some will move to a new location.<br><br>Uncertainties over the future may cause people to leave the organisation at an early stage. | Effective change management programme / policy so people are matched to posts in a suitable way.<br><br>The reduction in staff overall needs to be done in a timely manner, taking into full account operational needs, in order that the service does not suffer while in a period of transition. | Re-engineering should design processes that will lead to increased resilience and improvement. |

| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
|---|---|---|---|
| Planned reduction in staff once service changes fully implemented | Uncertainty and worry for individuals in those areas. Possibility that some may seek alternative employment before this. The service will need to retain experienced staff if performance is not to suffer. | Preferred solution is to have staff sign-up to shared services and are retained. Reductions achieved through natural wastage. | This would be in the second phase but if we find more opportunities to provide services for others then this would be subject to revision |
| CSC Implications | Although not in scope there will be changes in the job roles for CSC staff.<br><br>Some elements of Revs & Bens will transfer to CSC in Three Rivers and Watford – 80% revenues, 60% benefits. | A trained benefits officer from the Shared Service will need to be permanently based in the One Stop Shops at both councils.<br><br>CSC staff will deal with council tax enquiries and non-complex benefits queries | Investment in intelligent e-forms will allow benefit enquiries and a high level of council tax queries to be dealt with by CSC staff. This will allow the trained council tax and benefits officers to concentrate on the more difficult work.<br><br>There needs to be a substantial resource invested in development of the CSC during the implementation period both in terms of getting the cut-off points right and training the staff. This will provide the perfect opportunity to undertake some business process re-engineering. |

| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
|---|---|---|---|
| Home working | May be an attractive option to some members of staff for whom travel to Watford would cause difficulties. | Need to identify the number of staff that as an optimum could work from home.<br><br>Staff would have to be capable of working with little direct support (i.e. staff would have to be fully trained in their role or it could be used for specific tasks).<br><br>Working from home would have to meet with the service needs. | Less office space, different ways of monitoring output, may need specific home working policy.<br><br>Fewer interruptions would lead to increased productivity. |
| Mobile benefit officer working | May be an attractive option to some members of staff who prefer an out of office role with more direct contact with customers.<br><br>Will allow the service to be taken out to our customers. | | Improved service to customers with opportunity to get things right first time. |

| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
|---|---|---|---|
| Succession planning | Staff are aware of a potential career path through the organisation.<br><br>Impact on service is minimised because there are no gaps for key roles in the service (even if only on an interim basis). | 'Growing your own' through the new structures e.g. team members learning to be team leaders and team leaders learning to be managers Leadership development training on-going. Identify skills/knowledge transfer programme. | Need to invest in training and staff development.<br><br>If recruitment can be done from within the learning period is shorter and benefits reaped more quickly. |
| Cultural changes for the staff in Revenues & Benefits | There will be changes for staff in the way that they receive HR and Finance services which will be on a self-service basis. | Training programme. | Smarter ways of working achieving greater outputs with the same or reduced inputs. |

| 2.3 | Partnerships & Contracts |
|---|---|
| **Partner / Partnership** | **Expected Outcomes** |
| Contractual arrangement with banks. | Possibility of harmonisation of banking services for the two councils. |
| Agencies we work with<br>The appeals service<br>BFI<br>Housing Associations<br>Landlords<br>Rent Officer<br>External bailiffs/collection and tracing companies<br>Internal/External solicitors<br>Welfare agencies<br>Valuation tribunal<br>Valuation Office<br>Citizens Advice Bureaus<br>DWP<br>DCLG<br>Magistrates and County court | They deliver to the service standards and agreements in place |

| 2.4 | Assets & Technology |
| --- | --- |

Office space for 67 people initially, moving down to 62 after year 1. Potential to reduce further depending on the success of home working.
Sufficient storage to meet statutory document retention.
67 PCs or laptops/tablet PCs
Mobile phones for 6 people
6 printers
4 scanners
1 fax machine
1 Photocopier
Facilities for communal recycling, shredding etc.
Integrated Revenues & Benefits System with interfaces to document processing systems, CSC system, main financial system, income distribution and cash receipting systems
Mobile technology software
Direct debit software
Sundry Debt System (probably module of Financial System)
Mobile technology

| 2.5 | **Shared Services Operating Costs and Recharges** | | | | |
|---|---|---|---|---|---|
| Code | To be extracted from Detailed Business Case | **2008/09 Revised £** | **2009/10 Original £** | **2010/11 Forecast £** | **2011/12 Forecast £** |
| | Shared Services Operating Costs<br>    Employees<br>    Premises<br>    Transport<br>    Supplies & Services<br>    Contracted & Agency Services<br>    Income<br>        Sub-Total | | | | |
| | Recharge to Councils<br>    Three Rivers District Council<br>    Watford Borough Council<br>        Sub-Total | | | | |
| | Total | 0 | 0 | 0 | 0 |

| 2.6 | | **Implementation Costs** | | | |
|---|---|---|---|---|---|
| | | | **2009/10 £** | **2010/11 £** | **2011/12 £** |
| 1 | Revenue Implementation Costs | | | | |
| | List here items of cost from Detailed Business Case | | 0 | 0 | 0 |
| | Total | | 0 | 0 | 0 |
| 2 | Capital Implementation Costs | | | | |
| | List here items of cost from Detailed Business Case | | 0 | 0 | 0 |
| | Total | | 0 | 0 | 0 |

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**SECTION 3: OUTPUTS AND OUTCOMES**

| 3.1 | Stakeholder Consultation |
|---|---|

Front line customers have not really been consulted but we have plans to consult about further benefit surgery in Maple Cross and consider the use of citizens' panels and equality and diversity forums at both councils.
We already share landlord forums where we can inform landlords about changes in benefit legislation (e.g. Local Housing Allowance) and receive feedback and answer general queries.
We have both done some outreach work with local presentations, including at events directed at people with disabilities and the elderly.
We get feedback via complaints and compliments and in Three Rivers use customer survey forms to test satisfaction though feedback is sporadic.

We would like to use the approach of introducing changes in small measures and then testing reactions

| 3.2 | Service Level Agreements |
|---|---|

**SLAs between shared services and the councils**
As part of the development of the operating model for the xxx service, internal customers were consulted and draft output specifications produced. The shared services team will use this as a starting point to develop and establish formal Service Level Agreements (SLA) between the xxx service and its customers at both councils. As part of the Service Level Agreements, performance standards will be identified as well as performance indicators that will be used internally by the shared service, some of which have been included in this service plan. The process for monitoring performance against SLAs is being developed and will be agreed with the Joint Committee. It is expected that SLAs will be established by March/April 2009.

**SLAs between shared service and other organisations**
SLAs exist between each of the councils and the Job Centre Plus, Pensions Service, The Rent Service.

## 3.3 Performance Indicators

| Reference | NI 180 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | **Changes in Housing Benefit/Council Tax Benefit new claims and change events** | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance**
These are new indicators for which we have not yet had any results and have not been able to set targets.

| Reference | NI 181 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | **Time taken to process Housing Benefit/Council Tax Benefit new claims and change events** | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance**
These are new indicators for which we have not yet had any results and have not been able to set targets.

| Reference | RB 1 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | **The percentage of council tax collected** | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 29.87% | 57.90% | | | | | | | | | | | | | | |
| Watford | 27.00% | 54.75% | 82.50% | 97.00% | | | | 97.25% | | | | 97.70% | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 29.70% | 58.08% | | | | | | | | | | | | | | |
| Watford | 27.63% | | | | | | | | | | | | | | | |

**Comments on Performance**

| Reference | RB 2 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | **The percentage of NNDR collected** | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 37.89% | 63.48% | | | | | | | | | | | | | | |
| Watford | 31.50% | 60.00% | 88.00% | 99.85% | | | | 99.85% | | | | 99.85% | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 34.90% | 61.72% | | | | | | | | | | | | | | |
| Watford | 30.55% | | | | | | | | | | | | | | | |

**Comments on Performance**

| Reference | RB 3 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Speed of processing: average time for processing new benefit claims (days)- The average processing time taken for all new Housing Benefit and Council Tax Benefit (HB/CTB) claims submitted to the Local Authority, for which the date of decision is within the financial year being reported. | | | | | | | | | | | | | | | |
| **Target** | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 20 | 20 | 20 | 20 | | | | 18 | | | | | | | | |
| Watford | 30 | 30 | 27 | 27 | | | | 28 | | | | 26 | | | | |
| **Outcome** | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 13.93 | 15.75 | | | | | | | | | | | | | | |
| Watford | 28.5 | | | | | | | | | | | | | | | |
| **Comments on Performance** | | | | | | | | | | | | | | | | |

| Reference | RB 4 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Speed of processing: average time for processing notifications of changes in circumstances (days) : The average processing time taken for all written notifications to the Local Authority of changes to a claimant's circumstance that require a new decision on behalf of the Authority. | | | | | | | | | | | | | | | |
| **Target** | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 6.2 | 6.2 | 6.2 | 6.2 | 6.1 | 6.1 | 6.1 | 6.1 | | | | | | | | |
| Watford | 11 | 7.25 | 7.0 | 7 | | | | 8 | | | | 7.75 | | | | |
| **Outcome** | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 8.13 | 7.95 | | | | | | | | | | | | | | |
| Watford | 10.08 | | | | | | | | | | | | | | | |
| **Comments on Performance** | | | | | | | | | | | | | | | | |

| Reference | RB 5 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | **Accuracy of processing: Percentage of cases for which the calculation of the amount of benefit due was correct on the basis of the information available for the decision for a sample of cases checked post-decision** | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 99.2 | 99.2 | 99.2 | 99.2 | 99.2 | 99.2 | 99.2 | 99.2 | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 95.2 | 99.2 | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance**
It has already been agreed at Watford that this indicator has not been reported since 1 April 2008.

| Reference | RB 6 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | **Amount of housing benefit overpayments (HB) recovered during the period being reported on as a percentage of HB deemed recoverable overpayments during that period** | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 85.00% | 85.00% | 85.00% | 85.00% | | | | | | | | | | | | |
| Watford | 30.00% | 40.00% | 55.00% | 73.00% | | | | 74.00% | | | | 75.00% | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 39.56% | 99.58% | | | | | | | | | | | | | | |
| Watford | 82.60% | | | | | | | | | | | | | | | |

**Comments on Performance**

25

| Reference | RB 7 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | **HB overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the period plus amount of HB overpayments identified during the period.** | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 46.00% | 46.00% | | 85.0 | | | | 90.0 | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 8.95% | 12.16% | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance**
It has already been agreed at Watford that this indicator has not been reported since 1 April 2008.

| Reference | RB 8 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | **Housing Benefit (HB) overpayments written off during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the period plus amount of HB overpayments identified during the period.** | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 15.00 | 15.00 | 15.00 | 15.00 | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | 0.02 | 0.00 | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

**Comments on Performance**
It has already been agreed at Watford that this indicator has not been reported since 1 April 2008.

| Reference | RB 9 | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indicator Definition** | **Percentage by numbers of customers (net of full benefit and exemptions) of council tax collected by direct debit** | | | | | | | | | | | | | | | |
| **Target** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | 65.00% | 65.00% | 65.00% | 65.00% | | | | 66.00% | | | | 67.00% | | | | |
| **Outcome** | **2008/09** | | | | **2009/10** | | | | **2010/11** | | | | **2011/12** | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | 64.28% | | | | | | | | | | | | | | | |

**Comments on Performance**

This has been something that Watford councillors have been keen to see in past years but has not been reported at Three Rivers

## 3.4 Benchmarking Information

We are currently investigating the merit of joining the CIPFA Benchmarking Club

**Measure: Cost**

| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
|---|---|---|---|---|---|
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Measure: Quality**

| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
|---|---|---|---|---|---|
| NI |  |  |  |  |  |
| Old BVPIs |  |  |  |  |  |

**Measure: Other**

| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
|---|---|---|---|---|---|
| NI |  |  |  |  |  |
| Old BVPIs |  |  |  |  |  |

## 3.5 Outstanding Recommendations of External Inspections

**Three Rivers - Internal Audit report on Debtors - issued April 2008**

| Action | Priority | Responsibility | Action to Date | Resolved | (Original) Implementation Date |
|---|---|---|---|---|---|
| The Council's Sundry Debtor Procedures should be subject to timely review. | Medium | Revenues Manager | Current position (October 2008): we have started to look at the procedures with a view to updating them; however, we have lost 14 ½ weeks since June to staff sickness, which has hindered any progress. The review of the SD procedures has been included as an objective on individual officers' annual appraisals, with a view to completing the review as soon as possible. | ✘ | (30 Jun 08)<br><br>(30 Sep 08)<br><br>31 Dec 08 |

**Watford - Internal Audit report on Benefits Administration (Watford)**

| Action | Priority | Responsibility | Action to Date | Resolved | (Original) Implementation Date |
|---|---|---|---|---|---|
| The final reconciliation between the CIVICA Benefits system and the ORCHARD Housing Rents system should be located or re-performed to demonstrate that the two systems were in agreement prior to the transfer of the housing stock to the Watford Community Housing Trust. | High | Performance & Training Manager | This reconciliation will be re-performed by the Performance & Training Manager and filed accordingly. | | April 2008 |
| The issues relating to the reconciliation of the amounts on the subsidy claim and the amounts shown on APTOS should continue to be addressed as recommended in the Subsidy Claim 2006/2007 report. | High | Senior Management Accountant (Finance) | The Senior Management Accountant in Finance will be liaising with the Performance & Training Manager to implement the recommendations relating to reconciliations. | | April 2008 |

| Watford - Internal Audit report on Benefits Subsidy Claim | | | | | |
|---|---|---|---|---|---|
| *Action* | *Priority* | *Responsibility* | *Action to Date* | *Resolved* | *(Original) Implementation Date* |
| Following the departure of the Principle Accountant (Housing and Capital), the Head of Finance should formally nominate one of the remaining accountants to be responsible for reconciling the subsidy claim to APTOS. The nominated accountant must then liaise with the Performance & Training Manager (Revenues & Benefits) as soon as possible to develop the necessary processes, timetables and CIVICA reports required to produce the subsidy claim and undertake the reconciliations effectively. | High | Head of Finance<br><br>Senior Management Accountant | Agreed.<br><br>The Head of Finance will talk to the Senior Management Accountant who will be taking over full responsibility for Revenues & Benefits accounting work to ensure that the appropriate handover takes place.<br><br>The Senior Management Accountant has initiated discussions with the Performance & Training Manager within Revenues & Benefits to develop appropriate reconciliation processes. | | January 2008 |
| The format for producing the year end APTOS/ Subsidy reconciliations must be reviewed and agreed between Finance and Revenues & Benefits to provide clarity regarding the factors to be included and excluded. The agreed process must then be documented to ensure that there is consistency in the approach for future years. The documentation should include details of when the reconciliations should be produced, what information is required to produce them, who will supply the information and when it is required. | High | Senior Management Accountant | This will be worked on by the Senior Management Accountant, in liaison with the Performance & Training Manager. | | March 2008 |
| Variances between the final subsidy claim figures and those shown on APTOS must be properly investigated and documented as part of the annual reconciliation process to a standard that meets external audit requirements. | High | Senior Management Accountant | This will be worked on by the Senior Management Accountant, in liaison with the Performance & Training Manager. | | May 2008 (next subsidy claim) |

| Watford - Internal Audit report on NNDR | | | | | |
|---|---|---|---|---|---|
| *Action* | *Priority* | *Responsibility* | *Action to Date* | *Resolved* | *(Original) Implementation Date* |
| The Court Officer should draw up procedure notes for:<br><br>Recovery process followed by him which should be in accordance with the recovery timetable which may change on a year on year basis depending on the dates set by the court.<br><br>The process followed for referrals to the bailiff's. The process should ensure that the cases are distributed evenly to both bailiff's, according to the nature of the case.<br><br>Process followed by him when cheques are received from the bailiff's.<br><br>All procedure notes should be reviewed on an annual basis and dated when the review has been carried out. | High | | | | |

| Watford - Internal Audit report on Sundry Debtors | | | | | |
|---|---|---|---|---|---|
| *Action* | *Priority* | *Responsibility* | *Action to Date* | *Resolved* | *(Original) Implementation Date* |
| The Service should review the arrangements concerning the Senior Income Officer working in the cashiers' office. This will minimise the risk of financial impropriety (theft or falsification of records) and protect Officers from such accusations. | | | | | |

| Watford - Internal Audit report on Sundry Debtors | | | | | |
|---|---|---|---|---|---|
| *Action* | *Priority* | *Responsibility* | *Action to Date* | *Resolved* | *(Original) Implementation Date* |
| *Additional recommendation following discussion with Head of Revenues and Benefits: Additional support should be sought to provide the necessary cover from within the Revenues and Benefits Service. | | | | | |

| 3.6 | Projects |
|---|---|

Shared Services Project – systems and process harmonisation including sundry debtor module
Benchmarking Project
Customer Consultation
Succession Planning (may be done across shared services)
Home working/flexible working (may be done across shared services)
Customer Services Excellence (new Charter mark).  The Shared Services management team want to achieve the new Customer Service Excellence standard for all their services as soon as possible.
CSC work agreeing processes and cut-off points
Planning effective communications and consultation with customers
Archiving project

| | 3.7 | | | Equalities | | | |

| Ref | What we will do (Project and areas for action) | Lead Officer | End date | Resources | How we will measure our success[1] (including relevant performance indicators) | Relevant Equality Groups | Outcome |
|---|---|---|---|---|---|---|---|
| | **POLICY & CORPORATE INITIATIVES** | | | | | | |
| | Promote the Shared Services commitment to the equality agenda with residents, staff, members, partners, community and voluntary groups and promote positive images | | March 2010 | Staff time | Articles in Council publications, Intranet, website<br>Training session for staff<br>Equality Impact Assessments and action plans published<br>Images used in publication/website and promotional material reflect the Council's commitment to equality. | ☒ Race<br>☒ Gender<br>☒ Disability<br>☒ Age<br>☒ Religion<br>☒ Sexual Orientation<br>☒ Other:<br>Low income<br>Migrant workers | Increased awareness and uptake of benefits.<br>Increased benefits distributed. |

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| Ref | What we will do (Project and areas for action) | Lead Officer | End date | Resources | How we will measure our success[2] (including relevant performance indicators) | Relevant Equality Groups | Outcome |
|---|---|---|---|---|---|---|---|
| | **CUSTOMER ENGAGEMENT AND COMMUNICATION** | | | | | | |
| | Increase access to information forums by all landlords. | | March 2010 | Staff time | Profile of landlords attending forum to be collated. | ☒ Race<br>☒ Gender<br>☒ Disability | Increase in Landlords with tenants in receipt of housing benefit. |
| | Increase diversity of businesses engaged in budget consultation | | March 2010 | Staff time | Profile of businesses responding to budget consultation. | ☒ Race<br>☒ Gender<br>☒ Disability | |
| | Monitor requests for translation and interpretation in benefits service. | | March 2010 | Staff time | Translation and interpretation services are being accessed | ☒ Race<br>☐ Gender<br>☒ Disability<br>☐ Age<br>☐ Religion<br>☐ Sexual Orientation<br>☐ Other | Improved service delivery to customers whose first language is not English. |
| | Ensure that best practice regarding consultation of and involvement with all community groups is followed throughout the Council | | On-going | Staff time | Effective consultation undertaken with all community groups follows best practice guidelines outlined in the Council's Consultation Strategy<br>Customer satisfaction levels | ☒ Race<br>☒ Gender<br>☒ Disability<br>☒ Age<br>☒ Religion<br>☒ Sexual Orientation<br>☐ Other | Increased customer insight and identification of required service improvements. |

| Ref | What we will do (Project and areas for action) | Lead Officer | End date | Resources | How we will measure our success[2] (including relevant performance indicators) | Relevant Equality Groups | Outcome |
|---|---|---|---|---|---|---|---|
| | **SERVICE DELIVERY** | | | | | | |
| | Deliver target take up campaign to areas of high income deprivation affecting children and young people and older people | | March 2010 | Staff time. | Number and profile of additional benefits applicants. | ☒ Disability<br>☒ Age<br>☒ Other – income deprivation | Increased distribution of benefits |
| | Monitor uptake of home visits service. | | March 2010 | Staff time | Profile of home visit customers. | ☐ Race<br>☒ Gender<br>☒ Disability<br>☒ Age<br>☐ Religion<br>☐ Sexual Orientation<br>☐ Other | Increased customer insight |
| | Review monitoring systems for benefits service with regards to race, gender, age and disability. | | March 2010 | Staff time | Data collection in place. | ☒ Race<br>☒ Gender<br>☒ Disability<br>☒ Age<br>☐ Religion<br>☐ Sexual Orientation<br>☐ Other | Identification of under represented groups. Increased customer insight. |

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| Ref | What we will do (Project and areas for action) | Lead Officer | End date | Resources | How we will measure our success[3] (including relevant performance indicators) | Relevant Equality Groups | Outcome |
|---|---|---|---|---|---|---|---|
| | Monitor uptake of Council tax exemptions.<br><br>Monitor requests for translation and interpretation of Council tax collection services. | | March 2010 | Staff time | Profile of service requests against community profile. | ☒ Race<br>☐ Gender<br>☒ Disability<br>☐ Age<br>☐ Religion<br>☐ Sexual Orientation<br>☐ Other | Identification of under represented groups. |
| | Monitor customer complaints for any adverse impact on community groups for benefits and council tax services | | Annually | Staff time | Measureable improvement in reduction of number of complaints from all service users | ☒ Race<br>☒ Gender<br>☒ Disability<br>☒ Age<br>☒ Religion<br>☒ Sexual Orientation<br>Other: | Identification of any adverse impact |
| | **EMPLOYMENT & TRAINING** | | | | | | |
| | Provide training to staff on monitoring systems<br><br>Provide training to staff on benefits entitlement<br><br>Provide training to staff on asylum and immigration issues. | | March 2010 | Staff time and training budget | Staff awareness of issues.<br><br>Training evaluations. | ☒ Race<br>☐ Gender<br>☒ Disability<br>☐ Age<br>☐ Religion<br>☐ Sexual Orientation<br>☒ Other<br>Asylum seekers and refugees | Improved service delivery |

| Ref | What we will do (Project and areas for action) | Lead Officer | End date | Resources | How we will measure our success[3] (including relevant performance indicators) | Relevant Equality Groups | Outcome |
|---|---|---|---|---|---|---|---|
| | Equality and Diversity Training delivered to all new staff within 6 months of starting in employment. | | On-going | Staff time and training budget | i) Record of training attendance established. ii) All new staff can demonstrate that they understand their responsibilities as employees in relation to equality and diversity iii) Training Evaluations assessed | ☒ Race<br>☒ Gender<br>☒ Disability<br>☒ Age<br>☒ Religion<br>☒ Sexual Orientation<br>Other: | Improved service delivery |
| | Ensure that training/meeting instructions, whether internal or externally sourced, ask for participants to identify special needs | | On-going | Staff time | By ensuring that the special needs of applicants are met enabling their full inclusion and participation in the training experience | ☐ Race<br>☐ Gender<br>☒ Disability<br>☐ Age<br>☐ Religion<br>☐ Sexual Orientation | Needs of disabled staff met. |
| | Provide training for all managers who are required to undertake Equality Impact Assessments | | 2009 - 10 | Staff time and training budget | EIAs are of a high quality | ☒ Race<br>☒ Gender<br>☒ Disability<br>☒ Age<br>☒ Religion<br>☒ Sexual Orientation<br>Other: | Improved service delivery |

| Ref | What we will do (Project and areas for action) | Lead Officer | End date | Resources | How we will measure our success[4] (including relevant performance indicators) | Relevant Equality Groups | Outcome |
|---|---|---|---|---|---|---|---|
| | **PROCUREMENT** | | | | | | |
| | Monitor procurement activity to ensure that it addresses equality issues | | On - going | Staff time | Ensure that external providers of Council services meet their statutory legislative requirements and adhere to the Councils equality and diversity  polices and practices | ☒ Race ☒ Gender ☒ Disability ☒ Age ☒ Religion ☒ Sexual Orientation  Other: | Improved service delivery |
| | **EQUALITY IMPACT ASSESSMENTS** | | | | | | |
| | EIA of any new Revs and Bens systems implemented through shared services. | | March 2010 | Staff Time | Completion of EIA.  Actions plans in place to ensure that any adverse impact identifies will be removed | ☒ Race ☒ Gender ☒ Disability ☒ Age ☒ Religion ☒ Sexual Orientation  Other: | Improved service delivery |
| | *Ensure equality and diversity issues are considered in the day to day delivery of services* | | March 2009 | | *Review the Shared Services programme of EIAs to ensure it covers areas that are identified as high priority in relation to the CES and that agreed targets are set within service equality action plans* | ☒ Race ☒ Gender ☒ Disability ☒ Age ☒ Religion ☒ Sexual Orientation  Other: | Improved service delivery |

| Ref | What we will do (Project and areas for action) | Lead Officer | End date | Resources | How we will measure our success[4] (including relevant performance indicators) | Relevant Equality Groups | Outcome |
|---|---|---|---|---|---|---|---|
| | EIA of TRDC Revenue Recovery | | March 2012 | Staff Time | EIAs completed | ☒ Race<br>☒ Gender<br>☒ Disability<br>☒ Age<br>☒ Religion<br>☒ Sexual Orientation<br>Other: | Service improvements identified |

| 3.8 | Risk Management |
|-----|-----------------|

**RISK REGISTER**

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|----------|------|--------|----------------------|--------------------------|----------------------|---|---|
| RB 1 | Insufficient staff | Service Disruption | I | E | This impact has been assessed taking into account 'normal' circumstances. It does not assume the scenario of a flu pandemic where there would be a national shortage of staff. Under normal circumstances it is usually possible to engage agency staff easily, although this will be more expensive than budgeted payroll costs. | Requires Treatment | No |
| | | Financial Loss | I | | | Last Review Date | 26/11/08 |
| | | Reputation | I | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |
| RB 2 | Failure of ICT systems | Service Disruption | II | D | Although the likelihood of losing ICT Systems is considered low, in the event of it happening, the Business Continuity Plan determines timescales within which the systems should be made available in order to avoid a significant impact. For this range of services those timescales are:- Benefits - 48 hours Overpayments - 48 hours Billing & Collection of Council Tax & NNDR - 48 hours Sundry Debtors - 5 days | Requires Treatment | No |
| | | Financial Loss | I | | | Last Review Date | 26/11/08 |
| | | Reputation | I | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|
| RB 3 | Loss of accommodation | Service Disruption | II | D | Although the likelihood of losing accommodation is considered low, in the event of it happening, the Business Continuity Plan determines timescales within which accommodation should be made available in order to avoid a significant impact. For this range of services those timescales are:-<br><br>Benefits - 48 hours<br>Overpayments - 48 hours<br>Billing & Collection of Council Tax & NNDR - 48 hours<br>Sundry Debtors - 5 days<br><br>The ability of staff to work from locations away from the office now that we have an electronic data management system has considerably reduced this risk. | Requires Treatment | No |
| | | Financial Loss | II | | | Last Review Date | 26/11/08 |
| | | Reputation | II | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |
| RB 4 | Problems with system implementation | Service Disruption | I | E | Software suppliers have extensive experience of these projects. If delays were experienced then the service would continue to use the old systems. The risk would be to reputation with delays in the overall project. | Requires Treatment | Yes |
| | | Financial Loss | I | | | Last Review Date | 26/11/08 |
| | | Reputation | II | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/02/09 |
| | | People | II | | | Date Closed | dd/mm/yy |

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|
| RB 5 | Service performance drops during the transition period and early phase of implementation | Service Disruption | II | B | Staff will be using systems that are new to them and this will undoubtedly cause a drop in performance. While the likelihood of this is high the degree of impact can be minimised. Disruption to service would be marginal but there could be local complaints if, for example, the speed of dealing with benefit claims reduced. | Requires Treatment | Yes |
| | | Financial Loss | II | | | Last Review Date | 26/11/08 |
| | | Reputation | III | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |
| RB 6 | Key staff from services and/or project leave | Service Disruption | II | D | This assessment assumes that staff could be recruited. Failing that agency staff would need to be appointed to fill the interim gap. | Requires Treatment | No |
| | | Financial Loss | I | | | Last Review Date | 26/11/08 |
| | | Reputation | II | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |
| RB 7 | Staff not ready for new ways of working | Service Disruption | II | D | This assessment assumes a successful implementation and management of change. While the size of the task should not be understated the implementation has been sufficiently resourced. It also assumes that during the implementation period there is sufficient opportunity to consult with staff and obtain their input to the business process changes. | Requires Treatment | No |
| | | Financial Loss | I | | | Last Review Date | 26/11/08 |
| | | Reputation | I | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |

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| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|
| RB 8 | Recession leads to greater take-up of benefits and added pressure on service | Service Disruption | I | D | Given that we are currently in a recession there is a high probability that more people will claim benefit. It is irrelevant whether those claims are processed successfully, the additional work will lie in checking and processing. | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | Last Review Date | 26/11/08 |
| | | Reputation | I | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |
| RB 9 | Recession leads to more non-payment of council tax and business rates | Service Disruption | I | D | We are already experiencing a fall in collection rates on NNDR. The financial effect will be on cash-flow and lost interest. | Requires Treatment | Yes/No |
| | | Financial Loss | II | | | Last Review Date | 26/11/08 |
| | | Reputation | I | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |
| RB 10 | Recession means it is more difficult to collect sundry debts and HB overpayments | Service Disruption | I | D | We are already experiencing difficulty in collecting rent from some small businesses. Again a cash flow effect though lower as the sums of money involved are much smaller. | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | Last Review Date | 26/11/08 |
| | | Reputation | I | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |
| RB 11 | Risk of staff not wanting to move to Watford | Service Disruption | II | E | There remains a degree of dissatisfaction amongst Three Rivers staff at the prospect of moving to Watford. If staff choose to leave rather than transfer then there will be a degree of service disruption. | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | Last Review Date | 26/11/08 |
| | | Reputation | I | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |
| RB 12 | Breach of Data Protection etc Acts | Service Disruption | I | F | Staff are trained to know that they must not disclose personal data. | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | Last Review Date | 26/11/08 |
| | | Reputation | III | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | I | | | Date Closed | dd/mm/yy |

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|
| RB 13 | Injury to staff or customer | Service Disruption | I | | Safety procedures in place for lone workers and those visiting customers at home. H&S policies and training in place. | Requires Treatment | Yes/No |
| | | Financial Loss | I | F | | Last Review Date | 26/11/08 |
| | | Reputation | I | | | Next Milestone Date | 01/08/09 |
| | | Legal Implications | I | | | Next Review Date | 01/04/09 |
| | | People | III | | | Date Closed | dd/mm/yy |



| Likelihood | | | | | | |
|---|---|---|---|---|---|---|
| A | | | | | | |
| B | | | 5 | | | |
| C | | | | | | |
| D | 8, 10 | 2, 3, 6, 7, 9 | | | | |
| E | 1 | 4, 11 | | | | |
| F | | | 12, 13 | | | |
| | I | II | III | IV | V | |

**Impact**

| Impact | Likelihood |
|---|---|
| V = Catastrophic | A = ≥98% |
| IV = Critical | B = 75% - 97% |
| III = Significant | C = 50% - 74% |
| II = Marginal | D = 25% - 49% |
| I = Negligible | E = 3% - 24% |
| | F = ≤2% |

# RISK TREATMENT PLAN

| Risk Ref: | RB 5 | | Risk Title: | Service performance drops during the transition period and early phase of implementation | | |
|---|---|---|---|---|---|---|
| Responsibility | | *Who is managing the risk?* | | Head of Service | | |
| Consequence | | *What can go wrong?*<br>*How can it go wrong?*<br>*Has it gone wrong before?* | | Collection rates and benefit processing will fall off as staff will be using systems with which they are unfamiliar. There may be agency staff in place who are not as familiar with the ways of working as the regular staff.<br><br>It has gone wrong before when system changes have led to a reduction in collection rates. | | |
| Cause / Trigger | | *What happens to bring the risk into being?* | | Changes in ways of working, introduction of new systems. | | |
| Existing Control | | *What controls exist now to minimise the risk?* | | Software companies are very experienced with these changes and there will be training built in to the programme.<br><br>There will be changes in the business process and the detailed implementation plans will incorporate this too. | | |
| Adequacy of Control | | *What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?* | | None as yet as we have not yet faced the risk. Without the controls in place the likelihood would be higher. | Impact<br>III | Likelihood<br>A |
| Further Action / Controls Required | | *What gaps have been identified?*<br>*What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?* | | In order to reduce the likelihood we shall need to monitor training programmes.<br><br>If something does go wrong we may need to bring in some interim agency staff to bring performance back up to scratch. | | |
| Cost / Resources | | *Are there cost / resource implications in achieving the further action above?* | | Cost of hiring agency staff. Would depend on how many and for how long. Two members of staff for two months might cost £2,500. | £ | |
| Current Status | | *What is the current position on introducing additional controls? What is the current Risk Rating* | | As we are not at this position yet, no additional controls have been introduced. | Impact<br>III | Likelihood<br>B |
| Critical Success Factor | | *How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?* | | Success of the control environment can be measured by performance indicators. | Impact | Likelihood |

**Version Control**

| Version No. | Date | Reason for Update / Significant Changes | Made By |
|---|---|---|---|
| 0.1 | 08/09/03 | Draft for discussion of contents | DAG |
| 1.1 | 09/12/08 | Draft Version – Joint Committee – 17 December 2008 | DAG |
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# FINANCE SERVICE PLAN

# 2009 - 2012

Draft Version 1.1 – Joint Committee – 17 December 2008

**Shared Services Programme**

# CONTENTS

**SECTION 1: KEY PURPOSE OF THE SERVICE**

| 1.1 | Scope of the Service |
|---|---|

The overall objective is to provide high quality, efficient, robust and resilient services for audit, finance and fraud to the chief financial officers (s151 officers), members, budget holders, the public and employees of the two councils.

The services include the range of activities required to meet the s151 officers' responsibilities for a local authority. It consists of most of the services associated with the running of the finances of a local authority, including those aimed at servicing the corporate entity as well as those aimed at serving individual budget holders and service managers. Finance will be located in Rickmansworth although Internal Audit and Fraud will also have bases in both town halls to ensure their effectiveness and to achieve efficiencies.

Some services are excluded due to their having been included in other shared service work streams.

The functions are grouped into 4 main areas:

Accountancy

- Budget setting and reporting
- Month end and annual closing of ledgers
- Reconciliations of financial management and subsidiary source systems
- Budget monitoring reports
- Draft annual budgets
- Service planning including service level changes, revenue growth & savings and capital investment
- Forecasting (in conjunction with budget holders)
- Preparation and publication of Financial Statements
- Summary Financial Statements and Annual Reporting
- Whole of Government Accounts
- Preparation and completion of Government Returns for capital and revenue budgets, outturn and monitoring
- Annual Efficiency statements and returns
- External audit liaison
- Provision of financial advice to budget holders and Members
- Financial policies and procedures
- Income management and bank reconciliations
- Value Added Tax
- Review of the Financial Management System
- Treasury Management Policies & Investment Strategy
- Payroll Accounting including statutory deductions

Financial  services

- Accounts payable
- Insurances and risk advice
- Investments

Internal Audit

- Risk based system audits
- Contract and IT audits
- Value for Money
- Advice
- Provision of assurance for effectiveness of controls and probity

Anti Fraud

- Benefit Fraud
- Corporate Fraud
- Anti-Fraud and Corruption Strategies

The Joint Committee Agreement specifies the following functions for Finance

- Making payments on behalf of the Councils;
- Maintaining the accounts of the Councils;
- Maintaining the system of purchase orders;
- The provision of an internal audit service
- Managing the operation of the Councils' insurances;
- Issuing guidance and providing advice to members and officers of the Councils on the financial procedure rules of the Councils;
- Providing training to officers working on financial matters;
- Monitoring the Councils' prudent financial management and compliance with approved accounting practices and reporting to members on these matters;
- Preparation of the Councils' annual statement of accounts;
- Maintenance of the Councils record of assets;
- Monitoring the financial administration of external partnerships and other organisations in which the Councils are involved;
- Undertaking Housing Benefit and Council Tax Benefit fraud investigations and prosecutions;
- Virement within Joint Committee Budgets

The Audit, Fraud and Finance services operate within a number of statutory provisions including secondary legislation and statutory codes of practice. These are outlined below:

Accountancy and Audit

- Local Government Act 1972 – arrangements for the proper administration of financial affairs
- Local Government Act 1988 – reports in the public interest
- Local Government Act 2000 – full Council on the recommendation of the Executive to set approve a budget. Scrutiny of the financial processes..
- Local Government Act 2003 – medium term financial planning, budgeting and prudent balances, Prudential Code for borrowing arrangements, opinion on robustness of budgets and adequacy of reserves,  budget monitoring throughout the year with Member involvement.
- CIPFA Code of Practice for Internal Audit
- Accounts and  Audit Regulations 2006– financial statements, publishing, internal audit
- Statutory Codes for financial accounting and best value accounting

Fraud

- Police and Criminal Evidence Act 1984
- Human Rights Act 1998
- Data Protection Act 1998
- Regulation of Investigatory Powers Act 2000
- Proceeds of Crime Act 2002
- Fraud Act 2006

Recent successes include:

Three Rivers

- Use of resources Level 3 achieved in 2007
- CIPFA benchmarking report cost of accountancy and staffing levels are low whilst achieving good quality and with high levels of customer satisfaction
- Achievement of Charter Mark in 2007 and its retention in 2008
- Successful transfer of housing to Thrive Homes
- Successful transfer of leisure facilities to a Leisure Trust

Watford

- External audit can place reliance on Internal Audit
- Internal Audit complies with CIPFA Code of Practice.
- Successful transfer of housing to Watford Community Housing Trust

Joint Arrangements

- Fraud – the Fraud teams in Watford and Three Rivers operate with shared management arrangements (since March 2008)
- Insurances – the Insurances services for both councils has been provided by one officer (since April 2008)
- Finance  -  there has been collaboration on internal recharges, financial statements formats, specification for the financial management system, accounting policies and procedures (since 2007)
- Procurement of cash and security arrangements
- Currently progressing banking services
- Training – Finance for Non-Finance Managers – current courses for 100 staff in both councils using external trainer and provided on-site in both locations

| 1.2 | Contribution to Shared Services Objectives |
|---|---|
| Savings | For Finance Shared Services, savings will be reported through the Business Case.<br><br>Efficiency and cash saving are anticipated from joint procurement of financial services, for example -<br>• Treasury management advice<br>• Banking services<br>• Insurance services<br>• External advice for Value Added Tax<br>• Reduction in management posts (Audit, Fraud and Accountancy)<br><br>All Finance processes will be aligned where possible together, taking account of both councils requirements, Finance Procedure Rules and Accounting Policies will be reviewed and similarly aligned for consistency and application. Both councils have the same firm of auditors appointed by the Audit Commission and improvements and efficiencies by using the same audit team will be sought.<br><br>Medium term savings may be possible within the internal audit service. A management review in the lead up to the expiration of the currently outsourced service at Three Rivers will be undertaken. It will assess how the service can be developed and will consider procurement options to offer the best mix of operational service and best value.<br><br>The Finance Shared Service will be pursuing the business of new clients for one or more of its functions with a view spread overheads on a wider base and secure other savings. |
| Resilience | Both current Finance sections are lean staffed and the shared services vacancy protocol has left Watford with few experienced senior staff. In Shared Services, vulnerability will exist in some areas, for example, there will be no significant cover for Insurances and VAT. Finance, will in any case, will have limited VAT expertise through loss of expert knowledge (this has been and continues to be addressed with intensive training). Service levels will be closely managed to minimise dips during times of vacancies, long term absences and holiday periods.<br><br>Staff rotation at Finance Manager and Senior Accountant level will continue. This normally occurs on a three yearly cycle where accountants are re-assigned to services, finance functions and reporting staff. Early years improvements are likely to be more difficult given both the reduction in staffing levels with fewer and less experienced staff particularly at senior levels. This practice should mitigate the effects of lean staffing and provide flexibility for wider team working and to provide cover during times of absence.<br><br>The Finance organisation has been structured with generic job descriptions and staff will work across the various finance workstreams. In specialist skill areas shadowing will occur to widen and strengthen the knowledge base. |

| | Internal Audit and Fraud teams have been designed with the emphasis on resilience and operate with a flat structure (two tiers).<br><br>Critical tasks for the service are:<br><br>• Strategic Internal Audit planning<br>• Continuous internal audit<br>• External Audit<br>• Budget estimates, budget setting, monitoring and forecasting<br>• Closing accounts, preparations and publication of Financial Statements<br>• Implementation of Financial Management System<br>• Review of accounting policies and procedures |
|---|---|
| Improved Services | From the commencement of the Finance Shared Service, services at existing levels will be maintained. These will be supported with a transitional staffing structure and resources. Change will be managed to minimise disruption. The first six months will be a crucial time and difficulties are expected during service co-location and the closing of accounts for both councils through to preparation of the financial statements and subsequent external audit. During the first year, substantial resources will be devoted to the successful implementation of the financial management system (FMS) and examining procedures and financial processes. Resources for backfilling will be available during this period for supporting the FMS IT implementation. Resource for other changes will have to be found within existing resources for shared services.<br><br>Improvements should arise in 2010/11 following alignment of policies and processes and a single FMS and be discernable following the conclusion of the audit of the accounts for 2009/10 in September 2010, coinciding with the take-on of the steady-state organisation.<br><br>For Fraud, the advantage of the joint management arrangements in place since March 2008 will lead to the earlier achievement of consolidation. Early success of this arrangement is leading to faster alignment of practices. Further efficiencies will follow with one IT Fraud module within the Benefits system, expected in autumn 2009.<br><br>Improvements to internal audit are expected upon a review of arrangements leading up to the cessation of the outsourced service at Three Rivers.<br><br>There are no required National Indicators for Finance Shared Services. The Service will collect and produce local performance indicators as shown below and in section 3.3 (not finalised). This represents the latest thinking and is still work in progress. Stakeholder's views and comments are welcomed in both the development of indicators and for target setting.<br><br>Finance Shared Services will be a key contributor to the achievement of local and national indicators managed in the Client Service Plan. |

The Shared Service will continue membership of Benchmarking Clubs and seek other measures providing comparative information and statistics. Details of all gathered data and its implications will be regularly reported to the Joint Committee and inform new target setting for continuous improvements.

Local indicators

Below are a range of local performance indicators. These will be developed with both target setting and identification of comparator groups.

- Final Accounts - The Statement of Accounts will be produced and approved by respective Audit Committee by 30 June. The Statements will be presented with no material or significant errors and published with an unqualified audit opinion by 30 September.
- Average investment interest rate to be no less than 0.12% above average Bank Rate.
- Budget monitoring and budget setting timetable agreed prior to commencement of financial year with full compliance on reporting deadlines.
- Invoices undisputed and paid within thirty days former [previously BV8]
- Percentage of all purchasing conducted electronically measured by emailed orders
- Percentage of invoices paid by BACS
- Internal Audit  - achieve 90% of planned work
- Use of Resources – Level attained for *Managing Finances*
- Fraud – (1) number of investigators (2) number of investigations (3  number of sanctions [previously BV76  b-d]
- CIPFA customer satisfaction survey

| 1.3 | Contribution to the Councils' Strategic Objectives |
|---|---|
| **Three Rivers District Council** | |
| *Towards Excellence* | • Develop, publish and monitor service standards for all services,<br>• Respond to complaints by learning and improving our services,<br>• Improve customer satisfaction,<br>• Regularly involve and consult with the local community on key issues,<br>• Meet statutory equality targets and standards,<br>• Inform and update residents about the Council's work and services,<br>• Ensure our services provide value for money,<br>• Align budgets to priorities,<br>• Manage and reduce risk,<br>• Ensure internal processes produce timely outputs,<br>• Ensure internal processes produce accurate outputs,<br>• Continue to improve the Council's performance,<br>• Ensure employees are properly trained, developed and motivated,<br>• Ensure Members are properly trained and developed,<br>• Engage with community groups to deliver effective partnership working. |
| **Watford Borough Council** | |
| *An Efficient, Effective, Value for Money Council* | • Explore opportunity for alternative methods of service delivery through Shared Services with neighbouring authority<br>• Develop a corporate framework to deliver VfM across the organisation including reviewing the medium term financial strategy, reviewing budget monitoring, ensuring the council meets its target on NI 179 on cashable efficiency gains<br>• Ensure the Council responds appropriately to the Comprehensive Area Assessment<br>• Internal Audit aims to ensure the effective, efficient and economic use of resources |
| *A Well-informed Community where everyone can contribute* | • Develop strategy for budget consultation<br>• Prepare summary Accounts and Financial Information in an easily understood format |

## 1.4 The Future of the Service

In the medium term (three years), it is expected full implementation will be achieved with the service operating on the final position organisation chart..

Every effort will be made to secure greater efficiencies with smarter working and empowering clients with knowledge and skills to increase financial abilities. Success levels will have dependencies on the partnerships with both councils and the agreement of common procedures for example, accounting policies, financial procedures, risk management framework, budgeting and financial planning arrangements, reporting formats and the expected financial competencies of managers and budget holders.

Significant changes in the medium term are the move to International Financial Reporting Standards (IFRS) and changes in governance with the Treasury taking responsibility for accounting standards (from the Accounting Standards Board). In recent years there have been changes to accounting and reporting with revised Codes of Practice and significant additional requirements. CIPFA are updating the Best Value Accounting Code and alignment with SORP is expected. CIPFA and the Audit Commission are currently consulting on financial reporting and significant changes are anticipated.

With Whole of Government Accounts in place earlier financial statements may be required. It is likely to require in-year closedowns on full accrual basis.
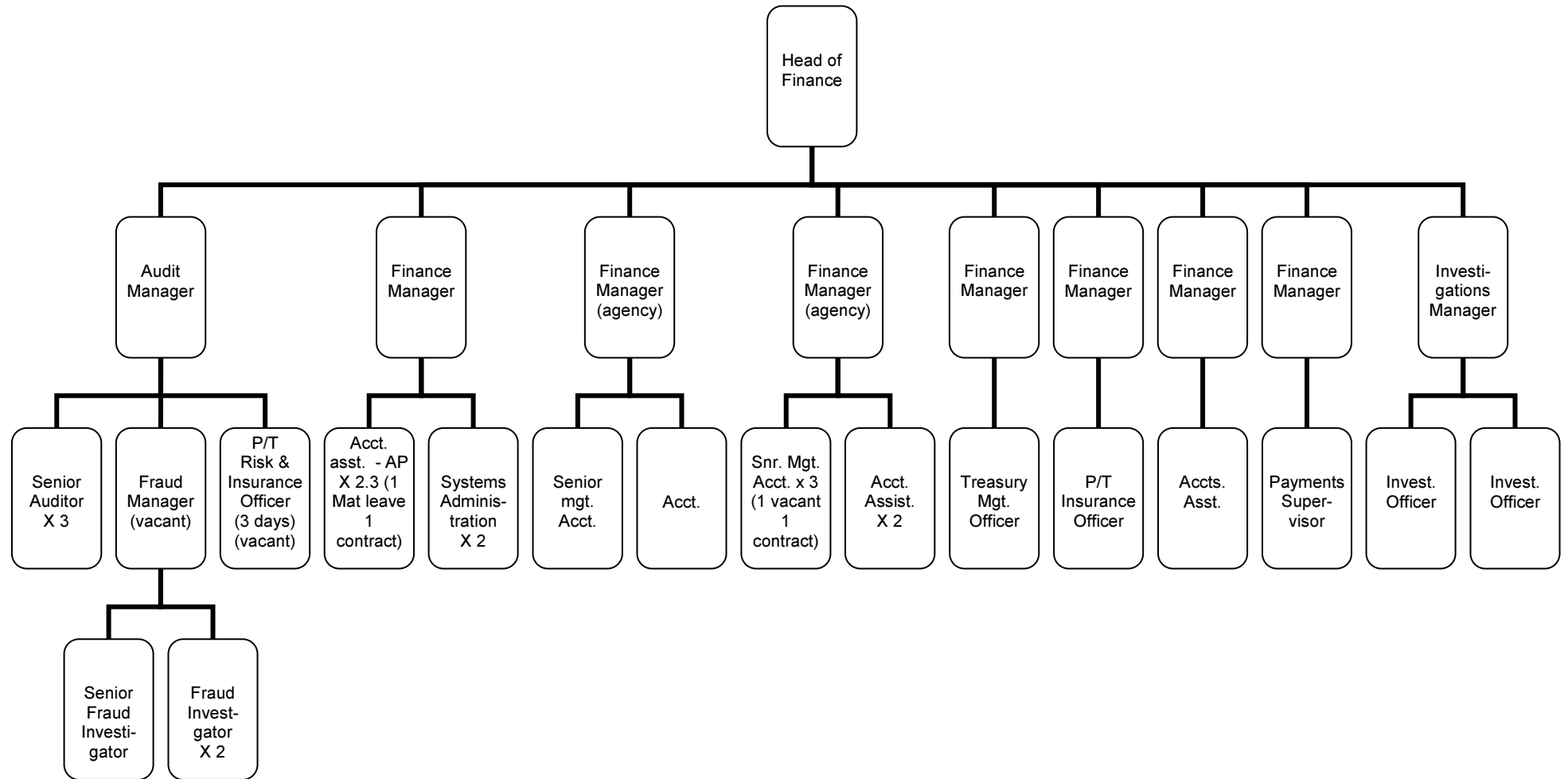
Internal audit – once the Three Rivers contract expires in March 2010, internal audit for both councils will probably be provided by a single in-house team based on the existing Watford team. There will be a need to increase the size of this team to meet these additional requirements. It is not currently possible to specify the resource required. It will be based, for example, on the requirements of the two councils and the speed of migration to common systems for each of the four shared services. The outcome may involve an increase in staff numbers and/or purchase of specific skills. The intention is to achieve savings on the Three Rivers contract.

Over the next decade, the Finance Shared Service will be actively marketed within and beyond the County. Clients will be able to opt for any service package. It is anticipated that ICT requirements will be via hosted services offering best value for money and resilience
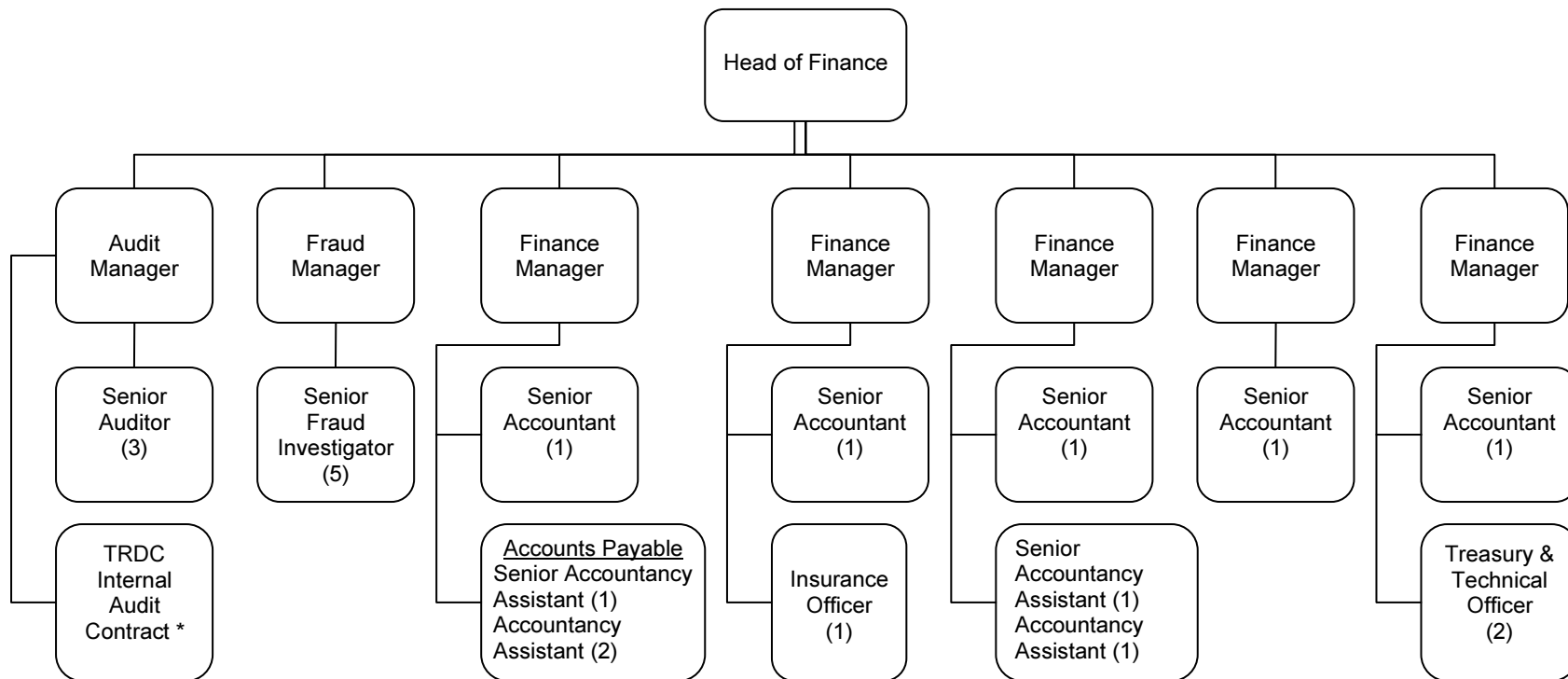
**SECTION 2:   INPUTS**

| 2.1 | People |
|-----|--------|

**Short-Term Organisation Chart – TRDC and WBC structures under one Head of Service**

**Shared Services Organisation Chart – From April 2009**

```
                                    ┌──────────────────┐
                                    │  Head of Finance │
                                    └──────────────────┘
   ┌──────────┬──────────┬──────────┼──────────┬──────────┬──────────┐
┌────────┐ ┌────────┐ ┌────────┐ ┌────────┐ ┌────────┐ ┌────────┐ ┌────────┐
│ Audit  │ │ Fraud  │ │Finance │ │Finance │ │Finance │ │Finance │ │Finance │
│Manager │ │Manager │ │Manager │ │Manager │ │Manager │ │Manager │ │Manager │
└────────┘ └────────┘ └────────┘ └────────┘ └────────┘ └────────┘ └────────┘
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| Audit Manager | Fraud Manager | Finance Manager | Finance Manager | Finance Manager | Finance Manager | Finance Manager |
|---|---|---|---|---|---|---|
| Senior Auditor (3) | Senior Fraud Investigator (5) | Senior Accountant (1) | Senior Accountant (1) | Senior Accountant (1) | Senior Accountant (1) | Senior Accountant (1) |
| TRDC Internal Audit Contract * | | Accounts Payable Senior Accountancy Assistant (1) Accountancy Assistant (2) | Insurance Officer (1) | Senior Accountancy Assistant (1) Accountancy Assistant (1) | | Treasury & Technical Officer (2) |

The Internal Audit contract at Three Rivers expires in March 2010.

Temporary consultant resources which will be required until September 2010 whilst shared services is still operating two finance systems and to support the first year close on the new finance system.

| 2.2 | Workforce Planning | | |
|---|---|---|---|
| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
| Age Profile | The majority of both key and senior positions are occupied by long-serving and highly experienced professionals eligible to retire in the medium term. | Senior staff must be retained to ensure implementation timescales and contain staffing numbers at the steady-state establishment.  Loss of several key staff may necessitate an overall FTE  increase | Incentives available to retain key staff. |
| Market Pay | If market rates of pay are not offered from the outset experienced staff cannot be expected to drive the successful implementation. | From knowledge and experience, it is expected that the JE scheme will not recognise the complexities of finance. | For the lean structure set within the Business Case, it is a requirement that finance shared services staff are well above average for knowledge, skills, commitment and engagement. This will require market rates for remuneration together with a premium. Outcome of JE, moderation, rankings and pay modelling awaited. |
| Succession Planning | There will be an opportunity to look at the mix of experience at Senior Accountant level. This should make possible a situation where high calibre but less experienced recruits can be professionally trained and retained leading to a sustainable workforce. Potential reductions in recruitment costs and the average level of remuneration at this level. | Following successful implementation and certainty of the steady state, the ability to implement an accountancy training and qualification programme will be available. | This will be present a range of benefits – ease of recruitment and retention, improved resilience and lower cost. |

| Workload – Trends & Changes | Staffing Implications – Impact on Service & Individuals | Options & Preferred Solutions | Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service |
|---|---|---|---|
| Transition Period and use of consultants | If the current consultants do not stay beyond their contract period this would result in a critical loss of experience in Watford's financial procedures. | Secure commitment with provider for retention of individuals. | Maintain and improve resilience |
| Home Working | In the longer term home working will be practical for most staff but in the short term it is likely that everyone will be required to be in the office. | For accountancy this will prove difficult for sustained periods in the early years of shared services. Progression will occur when enabled electronic information for all purposes is available. | |
| Earlier year-end closing and/or monthly/quarterly closing | Transition will likely require additional resource. Probably an invest to save opportunity as once established could lead to efficiencies. Similar effects with customers. | Need to facilitate is included in systems specification for FMS | Improvement to service quality leading to efficiencies (issues dealt with on regular basis ratter than end of year closedown) |
| Changes to accounting practices or form & contact of financial statements | Increased complexity ( as can be expected with IFRSs) may require additional resources as timeframes for outputs will remain. | Retain current structure but recognise that additional resources may be required in-year. | Achieve outputs/outcomes within statutory timescales. |
| Training | There will be minimal cover within specialist areas particularly Insurance, Vale Added Tax and Technical Accounting | Individual officers need training in specialist disciplines to a suitable standard to ensure good service provision during absences. | An adequate provision in the training budget is required. This can be identified when all staffing appointments have been made. |

| 2.3 | Partnerships & Contracts |
|---|---|
| **Partner / Partnership** | **Expected Outcomes** |
| Deloitte Touche | TRDC contract expires March 2010. |
| LA VAT | Currently use LAVAT for provision of specialist VAT advice. |
| Treasury Advisers – Butlers/Sector | WBC currently use Sector for Treasury Management Advice to 31/08/10 with an option to extend for further 12 months.  TRDC use Butlers with a contract to 01/11/2011. |
| Insurances | Currently use Zurich for all insurance.  The TR contract with Zurich expires on 31 March '09 and a tender for insurance is currently being prepared. |
| Banking Services | Watford's expires in July 2009 and Three Rivers' in July 2010 – currently considering options for alignment with the intention of new contracts form 2010. |

| 2.4 | Assets & Technology |
|---|---|

**Equipment**

29 workstations each with Personal Computer. 3 desktop HP printers and access to all central printers. Two of these workstations connected to specialist laser cheque printer.
Scanning and document management facilities.
One workstation with BACS security transmission facilities.
Remote access to network.
Cheque Printer
Phones, Fax, Copying, Scanning, Mobile Working, Home Working

**Land and Property**

Suitable office environment for all sections
Hot desk facilities at Watford for Finance (this is expected to be delivered within a corporate solution)
Internal Audit – office accommodation/filing/IT facilities on both sites.
Fraud  – office accommodation/filing/IT facilities on both sites
Accommodation at Watford and Three Rivers for external audit

**Vehicles**

Vehicles required to attend meetings or off-site locations including outside normal hours and outside districts. Vehicles are also required by fraud for surveillance, house visits, statement taking, risk assessments and visiting external agencies.

**IT systems**

Internal Audit – IDEA (data extraction/matching)
Aptos (and archive facilities)
Radius PowerSolve (and archive facilities)
Radius Icon
On-Line Banking & Treasury Management
Microsoft Office Applications
Financial Management System (new)
Fraud Module (within Benefits system)

## 2.5 Shared Services Operating Costs and Recharges

| Code | To be extracted from Detailed Business Case | 2008/09 Revised £ | 2009/10 Original £ | 2010/11 Forecast £ | 2011/12 Forecast £ |
|---|---|---|---|---|---|
| | Shared Services Operating Costs | | | | |
| | Employees | | | | |
| | Premises | | | | |
| | Transport | | | | |
| | Supplies & Services | | | | |
| | Contracted & Agency Services | | | | |
| | Income | | | | |
| | Sub-Total | | | | |
| | | | | | |
| | Recharge to Councils | | | | |
| | Three Rivers District Council | | | | |
| | Watford Borough Council | | | | |
| | Sub-Total | | | | |
| | Total | 0 | 0 | 0 | 0 |

## 2.6 Implementation Costs

| | | 2009/10 £ | 2010/11 £ | 2011/12 £ |
|---|---|---|---|---|
| 1 | Revenue Implementation Costs | | | |
| | List here items of cost from Detailed Business Case | 0 | 0 | 0 |
| | Total | 0 | 0 | 0 |
| 2 | Capital Implementation Costs | | | |
| | List here items of cost from Detailed Business Case | 0 | 0 | 0 |
| | Total | 0 | 0 | 0 |

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## SECTION 3: OUTPUTS AND OUTCOMES

| 3.1 | Stakeholder Consultation |
|---|---|

- Shared Services Workshops were held in 2007 and the outcomes were used to inform Operating Model and specify the service requirements
- The s151 Officers at both councils have been regularly consulted at all stages in developing the operating model, staffing structure, job descriptions and service planning.
- In Three Rivers, CIPFA's Financial Management Model has been used to assess the style and strengths of the finance function. This involved surveying stakeholders and implementing action plans. A new Model has been developed and this will be used in both Watford and Three Rivers in 2009 (resources allowing).
- In Three Rivers, customer satisfaction surveys have been employed during the last three years. This will continue and will include Watford in 2009.
- In the last two years Three Rivers have produced Summary Accounts included in an Annual Report published on the Internet and mailed to community groups. Feedback was requested through a simple questionnaire to assess meaningful and relevant information.
- The Finance shared service will be assessed for Customer Service Excellence in 2010.
- Customers have and will continue to be involved in specification and selection of a new financial management system.
- All staff in Finance shared services have been consulted on the development of the Service Plan for 2009 – 2012
- Finance will be seeking and maintaining records of customers' comments and using these to develop service provision improvements.

| 3.2 | Service Level Agreements |
|---|---|

**SLAs between shared services and the councils**

As part of the development of the operating model for the finance service, internal customers were consulted and draft output specifications produced. The shared services team will use this as a starting point to develop and establish formal Service Level Agreements (SLA) between the finance service and its customers at both councils. As part of the Service Level Agreements, performance standards will be identified as well as performance indicators that will be used internally by the shared service, some of which have been included in this service plan. The process for monitoring performance against SLAs is being developed and will be agreed with the Joint Committee. It is expected that SLAs will be established by March/April 2009.

## 3.3         Performance Indicators

*This section is in progress for updating and completion – see also section 1.2 above. Comments from stakeholders on its development are welcomed*

| Reference | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Percentage of undisputed invoices paid within 30 days (Formerly BV8) | | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |  |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | |
| TRDC | | | | | | | | | | | | | | | | | |
| Watford | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |  |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | |
| TRDC | 99.23 | 98.85 | | | | | | | | | | | | | | | |
| Watford | 95.20 | 96.38 | | | | | | | | | | | | | | | |

Comments on Performance
Finance champion this performance indicator and is reliant upon all services to actively engage and support.

| Reference | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Percentage User Satisfaction with Financial Services | | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |  |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | |
| TRDC | | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | | |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |  |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | |
| TRDC | | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | | |

Comments on Performance
To be developed – will need to implement separate surveys for audit, fraud and finance.

| Reference | | | | | | | | | | | | | | | | |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Final Accounts - The Statement of Accounts will be produced and approved by respective Audit Committee by 30 June. The Statements will be presented with no material errors and published with an unqualified audit opinion by 30 September | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

Comments on Performance
This Indicator is best reported on an annual basis

| Reference | | | | | | | | | | | | | | | | |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Percentage of invoices paid by BACS (currently reported by Watford only) | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | 70 | 70 | 70 | 70 | 75 | 75 | 75 | 75 | 80 | 80 | 80 | 80 | 90 | 90 | 90 | 90 |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

Comments on Performance
Finance champion this performance indicator and is reliant upon all services to actively engage and support.

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| Reference | | | | | | | | | | | | | | | | |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Percentage of all purchasing conducted electronically measured by emailed orders | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | 0 | | | | 0 | 40 | 50 | 60 | 70 | 80 | 90 | 100 | 100 |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

Comments on Performance
Finance champion this performance indicator and is reliant upon all services to actively engage and support.

| Reference | | | | | | | | | | | | | | | | |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Average investment interest rate to be no less than 0.12% different from average base rate. | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | 5.12 | 4.62 | | | | | | | | | | | | | | |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | 5.50 | 5.71 | | | | | | | | | | | | | | |

Comments on Performance

| Reference | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Budget monitoring and budget setting timetable agreed prior to commencement of financial year with full compliance on reporting deadlines. | | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

Comments on Performance
This Indicator is best reported on an annual basis

| Reference | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Internal Audit  - achieve 90% of planned work | | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

Comments on Performance
This Indicator is best reported on an annual basis

| Reference | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Use of resources – Level 3 for *Managing Finances* | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

Comments on Performance
This Indicator is best reported on an annual basis

| Reference | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Anti Fraud – Number of Investigations | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |

Comments on Performance

| Reference | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Anti Fraud – Number of Investigators | | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| Comments on Performance | | | | | | | | | | | | | | | | |

| Reference | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator Definition | Anti Fraud – Number of Sanctions | | | | | | | | | | | | | | | | |
| Target | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| Outcome | 2008/09 | | | | 2009/10 | | | | 2010/11 | | | | 2011/12 | | | |
| | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
| TRDC | | | | | | | | | | | | | | | | |
| Watford | | | | | | | | | | | | | | | | |
| Comments on Performance | | | | | | | | | | | | | | | | |

**Other Outcomes**

High level key outcomes for the service are related to key lines of enquiry (KLOE) for assessment in the use of resources assessments regime. KLOEs change on a regular basis. *This section will be updated to reflect developments and the new KLOEs for 2009.*

| Function : Strategic Corporate Advice/Support | | | |
|---|---|---|---|
| **Outcome** | **Measure** | **Standard** | **Comments/Issues** |
| The Councils produce annual reports in accordance with relevant standards and timetables, supported by comprehensive working papers | The accounts submitted for audit present fairly and contain only a small number of non-trivial errors. <br><br> The accounts were subject to robust member scrutiny prior to approval. <br><br> The auditor gives an unqualified opinion in the published statement. | Level 3 | |
| The Councils medium term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities. | Business planning is integrated with financial planning | Level 3 | |
| The council manages its spending within the available resources | Set a balanced budge that takes account of cost pressures and the impact on council tax. <br><br> Targets for income collection stretch performance and their achievement is monitored. | Level 3 | |
| Balanced Budget that include recharges are set within permitted time frames | To timetable <br><br> Accuracy and completeness of revenue estimates and estimates of charges compared with outturn | | |
| Accounts closed, produced and approved by end of June | To timetable with no audit qualifications | 100% | |
| Accounts are accepted by auditors without qualification | Unqualified account | 100% | |
| No significant external audit issues | Clear audit opinion | 100% | |
| A clear process and format that delivers capital budgets for an agreed programme on time | Accurate and complete capital programme <br><br> To timetable | | |

| Function : Strategic Corporate Advice/Support | | | |
|---|---|---|---|
| **Outcome** | **Measure** | **Standard** | **Comments/Issues** |
| The Council promotes external accountability | The council publishes its accounts and publicises how local electors can exercise their rights, in accordance with the requirements of the Accounts & Audit Regulations 2003.<br><br>Produce summary financial information that meets the needs of a range of stakeholders | Level 3 | |
| Achieves value for money | Unintended high spending is identified and is addressed.<br><br>Areas of higher spending are in line with stated priorities.<br><br>A well managed capital programme | Level 3 | |
| Manage and improve value for money | Arrangements in place to produce reliable data.<br><br>Investment is targeted to improve value for money in the longer term. | Level 3 | |

| Function : Accountancy Support to Senior Managers | | | |
|---|---|---|---|
| **Outcome** | **Measure** | **Standard** | **Comments/Issues** |
| The council manages performance against budgets | Budgets are input to the main accounting system on a timely basis, at an appropriate level of detail. | 100% | |
| Monthly financial performance reports produced by stipulated date in month. | To timetable | 95% | |
| Regularly meeting with budget holders to review performance and agree actions required ( where necessary) | Meeting with 100% of budget holders | 100% at least 4 times per year | |
| Budgets are set within agreed timescales | To timetable | 100% | |

| Function : Accountancy Support to Senior Managers | | | |
|---|---|---|---|
| **Outcome** | **Measure** | **Standard** | **Comments/Issues** |
| Officer reports provide accurate financial implications | Ensure a help-line is available to all clients | Office hours | |
| | All formal proposals and reports to be appraised by the Finance Shared Service | | |
| | Customer satisfaction with service provided | 100% | |
| | | 98% | |

| Function : Internal Audit & Anti-Fraud | | | |
|---|---|---|---|
| **Outcome** | **Measure** | **Standard** | **Comments/Issues** |
| Internal Audit performs inline with CIPFA best practice | External Audit approval | | |
| The Organisation manages its risks and maintains a sound system of internal control? | The organisation has:<br>• has effective risk management which covers partnership working<br>• has a clear strategy and effective arrangements, including allocation of appropriate<br>resources, to manage the risk of fraud and corruption; and<br>• has a sound system of internal control including internal audit. | | |
| High compliance with annual plan | As per plan | | |
| Regarded as a robust and challenging service by councils | Quality of feedback to council within 30 days | | |
| Arrangements in place to maintain a sound system of internal control | Internal Audit performs inline with CIPFA best practice | Level 3 | |
| Promote and ensure probity and propriety in the conduct of Council business | Counter fraud and corruption policy apply to all aspects of the council's business.<br><br>Whistle blowing policy is publicised.<br><br>Undertake proactive counter fraud and corruption work. | Level 3 | |

**Function : Exchequer Services**

| Outcome | Measure | Standard | Comments/Issues |
|---|---|---|---|
| Invoices paid within time scales | Paid within 30 days | 97.5% | |
| Invoices paid according to agreed suppliers terms and conditions | Depends on individual supplier terms and conditions but likely to include<br>• 7/14/21/28 days from invoice date<br>• End of month following<br>• tba | TBA | |
| The council manages its asset base | The council maintains an up-to-date asset register.<br>Asset physical inventory verification to be performed on a regular basis | | |

**Function : Insurance**

| Outcome | Measure | Standard | Comments/Issues |
|---|---|---|---|
| Deal promptly with claims, including investigations with other departments to obtain information relevant to the claim. | Enables the Councils' insurers to make early decisions on liability and keep claims costs to a minimum | | Reliant on co-operation from other departments |
| Provide information to colleagues on policy interpretation | Enable greater understanding of insurance cover and what can be claim under the policies | | |
| Negotiate with insurers on premiums and levels of cover | Ensures the Council's assets are protected | | Reliant on others to be advised of acquisitions |

## 3.4        Benchmarking Information

| **Measure: Cost** | | | | | |
|---|---|---|---|---|---|
| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
| Cost Measures<br><br>(56 measures) | Shire Districts | Three Rivers – of the 56 cost comparators, 41 were better than average and 15 were lower.<br>Watford – will use this benchmarking group in 2009 | See Result | 02/10/2008 | CIPFA-IPF Accountancy Benchmarking Club |
| Staffing Measures<br><br>(21 measures) | Shire Districts | Three Rivers – of the 21 staff comparators, 11 were better than average and 10 were lower.<br>Watford – will use this benchmarking group in 2009 | See Result | 02/10/2008 | CIPFA-IPF Accountancy Benchmarking Club |

| **Measure: Quality** | | | | | |
|---|---|---|---|---|---|
| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
| Quality Measures<br><br>(6 measures) | Shire Districts | Three Rivers – of the 6 quality comparators, 6 were better than average.<br>Watford – will use this benchmarking group in 2009Six out of six better than average. | | 02/10/2008 | CIPFA-IPF Accountancy Benchmarking Club |
| Internal Audit will meet CIPFA's Code of Practice criteria | | Compliant | | June 2008 | Self-assessment but IA also subject to annual review by external auditor(s). |

| **Measure: Other** | | | | | |
|---|---|---|---|---|---|
| Benchmark Description | Comparator Group | Result | Rank within group (x out of y) | Date Valid | Comments |
| Time series Analysis<br><br>(8 measures) | Shire Districts | Three Rivers – of the 8 comparators, 7 were better than average and 1 was lower.<br>Watford – will use this benchmarking group in 2009 | | 02/10/2008 | CIPFA-IPF Accountancy Benchmarking Club |

| 3.5 | Outstanding Recommendations of External Inspections | | | | | |
|---|---|---|---|---|---|---|

**Watford - Annual Governance Report – Grant Thornton –September 2008**

| Action | Priority | Responsibility | Action to Date | Resolved | (Original) Implementation Date |
|---|---|---|---|---|---|
| Full review of all leases | Medium | Interim Head of Finance | Work stream allocated review has commenced | | March 2009 |
| Salaries charged to Capital | Medium | Strategic Finance Accountant | To be incorporated into 09/10 support service allocation process | | March 2009 |
| Fixed Asset Register | High | Interim Head of Finance | Produce spreadsheet as interim solution pending implementation of new FMS | | March 2009 |
| Recommend Process to review Shared Ownership dwellings | High | Interim Head of Finance | Review system for revaluations | | March 2009 |
| Journal Authorisation | Low | Interim Head of Finance | Review system for authorisation of on-line journals | | March 2009 |

**Three Rivers - Annual Governance Report – Grant Thornton –September 2008**

| | | | | | |
|---|---|---|---|---|---|
| Fixed Asset Register | Low | Accountancy Manager | Introduce regular reconciliations between asset register and general ledger | ✓ | March 2009 |
| Bank Reconciliations | High | Accountancy Manager | Ensure bank reconciliations are carried out monthly | ✓ | March 2009 |

| 3.6 | Projects |
|---|---|

- Training for non-Finance Managers
- Procurement and implementation of new financial management system
- Review of budget monitoring and other (non-system dependent) processes and embedding into shared service
- Secure an unqualified audit opinion for the Councils' Statement of Accounts for 2008/09
- Setting budget for 2009/10
- Build interfaces as required between new and existing systems during the transition process
- Review controls as new systems/procedures are implemented
- Document new systems/procedures
- Undertake risk assessment of Watford and Three Rivers services prior to preparation of audit plan
- Customer Services Excellence (new Charter mark). The Shared Services management team want to achieve the new Customer Service Excellence standard for all their services as soon as possible.
- Investigation and implementation of revised Internal Audit services
- Tender for banking services
- Completion of tender process for insurance services at Three Rivers

| 3.7 | Equalities |
|---|---|

Three Rivers have carried out a review of the Equality Impact Assessment Programme**.**

The relevance to Accountancy for Disability and Age is the availability of Financial Statements in formats for the partially sighted. Braille versions for the totally blind are not produced but, on request, staff could talk through a summary of the statement.

The previous reference for Religion is no longer relevant as 'Right to Buy' sales have ceased

Accountancy is essentially a support service and mostly governed by statute. The overall relevance of equality has been set at *Low.*

The Equality Impact Assessments for Fraud have been completed and services improvements identified require completion.

| 3.8 | Risk Management |
|-----|-----------------|

## RISK REGISTER

This section is in progress for updating and completion. Comments from stakeholders on its development are welcomed

| Risk Ref | Risk | Impact | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|----------|------|--------|----------------------|--------------------------|-----------------------|---|---|
| FIN 1 | Staff resistance to change | Service Disruption | II | E | | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal Implications | I | | | Next Review Date | dd/mm/yy |
| | | People | I | | | Date Closed | dd/mm/yy |
| FIN 2 | Staffing Continuity | Service | III | E | | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | I | | | Next Review Date | dd/mm/yy |
| | | People | I | | | Date Closed | dd/mm/yy |
| FIN 3 | Insufficient staff to deal with workload | Service | III | E | | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | I | | | Next Review Date | dd/mm/yy |
| | | People | I | | | Date Closed | dd/mm/yy |
| FIN 4 | Shared Service Doesn't go Live | Service | I | F | | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | III | | | Next Milestone Date | dd/mm/yy |
| | | Legal | I | | | Next Review Date | dd/mm/yy |
| | | People | I | | | Date Closed | dd/mm/yy |

| Risk Ref | Risk | Impact | | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|---|
| FIN 5 | Terms & conditions and location adversely affect staff retention | Service | | II | E | Depends on level of disaffection and categories of staff but expected professional staff will not feel embittered. Impact could be greater if incidence is stronger during first three months of running shared service. Terms and conditions will be negotiated for SS employees; therefore no further action can be taken to reduce risk. | Requires Treatment | Yes/No |
| | | Financial Loss | | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 6 | Job Evaluation adversely affects staff retention | Service | | III | C | Depends on level of disaffection and categories of staff. If professional staff, depleted services will affected for 12 months or more. Decision to apply *real* market factors agreed by mid-June | Requires Treatment | Yes/No |
| | | Financial Loss | | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 7 | Cannot recruit to Assistant Finance Manager by implementation day | Service | | IV | TBA | Services will be affected for 12 months or more. Retain agency staff currently working for Watford | Requires Treatment | Yes/No |
| | | Financial Loss | | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |

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| Risk Ref | Risk | Impact | | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|---|
| FIN 8 | IT Communications inefficient | Service | III | | F | Inefficient retrieval and processing affecting full range of services provided Full test and confirmation required one month prior to relocation | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | | Last Review Date | dd/mm/yy |
| | | Reputation | I | | | | Next Milestone Date | dd/mm/yy |
| | | Legal | I | | | | Next Review Date | dd/mm/yy |
| | | People | I | | | | Date Closed | dd/mm/yy |
| FIN 9 | Decision making time consuming – directors and committee | Service | I | | F | Increases in elapsed time will lead to inefficiencies | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | | Last Review Date | dd/mm/yy |
| | | Reputation | I | | | | Next Milestone Date | dd/mm/yy |
| | | Legal | I | | | | Next Review Date | dd/mm/yy |
| | | People | I | | | | Date Closed | dd/mm/yy |
| FIN 10 | Unable to keep temporarily retained staff. | Service | II | | E | Ensure premia is realistic. Engage with staff for positive commitment | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | | Last Review Date | dd/mm/yy |
| | | Reputation | I | | | | Next Milestone Date | dd/mm/yy |
| | | Legal | I | | | | Next Review Date | dd/mm/yy |
| | | People | I | | | | Date Closed | dd/mm/yy |
| FIN 11 | Resistance from transitional staff – deliberate damage | Service | III | | E | Systems failure, permanent loss of data, poor/misleading/illegal advice, viruses inserted, coercion/influence exerted on those staying Golden handcuffs | Requires Treatment | Yes/No |
| | | Financial Loss | II | | | | Last Review Date | dd/mm/yy |
| | | Reputation | II | | | | Next Milestone Date | dd/mm/yy |
| | | Legal | I | | | | Next Review Date | dd/mm/yy |
| | | People | I | | | | Date Closed | dd/mm/yy |
| FIN 12 | Loss of VAT expertise | Service | III | | D | Financial losses and imposition of penalties | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | | Last Review Date | dd/mm/yy |
| | | Reputation | I | | | | Next Milestone Date | dd/mm/yy |
| | | Legal | I | | | | Next Review Date | dd/mm/yy |
| | | People | I | | | | Date Closed | dd/mm/yy |
| FIN 13 | Cannot align policies or procedures | Service | I | | F | Inefficient organisation – unnecessary duplication Additional permanent resources required | Requires Treatment | Yes/No |
| | | Financial Loss | I | | | | Last Review Date | dd/mm/yy |
| | | Reputation | I | | | | Next Milestone Date | dd/mm/yy |
| | | Legal | I | | | | Next Review Date | dd/mm/yy |
| | | People | I | | | | Date Closed | dd/mm/yy |

| Risk Ref | Risk | Impact | | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|---|
| FIN 14 | Resistance to change by service managers | Service | | I | F | Inefficient organisation – unnecessary duplication Additional permanent resources required | Requires Treatment | Yes/No |
| | | Financial Loss | | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 15 | Wrong Establishment | Service | | II | E | Services will be affected for 12 months or more. Need readiness by both councils to accept and act. | Requires Treatment | Yes/No |
| | | Financial Loss | | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 16 | Delay implementing IT | Service | | I | F | Managing three general ledgers and four sets of financial data within one FY Plan for new GL implementation 1 April 2010 | Requires Treatment | Yes/No |
| | | Financial Loss | | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 17 | Fail to close 08/09 on time coupled with conflicting priorities of two councils | Service | | IV | E | Service blighted. Major consequences on several fronts with effects suffered to 2012. Need to ensure full establishment and recruitment actions maintain quality to deliver. | Requires Treatment | Yes/No |
| | | Financial Loss | | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | | IV | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 18 | UoR for Finance related areas - levels fall | Service | | II | B | Will affect ratings under Comprehensive Area Assessment | Requires Treatment | Yes/No |
| | | Financial Loss | | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | | III | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 19 | Intransigence- poor relationships with S151 officers | Service | | II | F | Relationships falter and staff go native | Requires Treatment | Yes/No |
| | | Financial Loss | | I | | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |

| Risk Ref | Risk | Impact | | Impact Classification | Likelihood Classification | Reason for Assessment | | |
|---|---|---|---|---|---|---|---|---|
| FIN 20 | Over-management by client councils | Service | | II | | Interference and influence exerted directly | Requires Treatment | Yes/No |
| | | Financial Loss | | I | F | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 21 | Scope/volumes of work increases but no additional resources | Service | | III | | Services prioritised, tasks not completed, Use of Resources rating falls, impact on CharterMark | Requires Treatment | Yes/No |
| | | Financial Loss | | I | D | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 22 | SS takes on aged workforce and key officers need replacing in early years. | Service | | III | | Loss of experience in short timeframe – pressure on remaining staff Workforce Planning | Requires Treatment | Yes/No |
| | | Financial Loss | | I | A | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 23 | Unable to retain expertise for 24 months(+ 09/10 closing period) [two WB IT staff] | Service | | III | | Watford service fails with disruption to budget monitoring, closing and financial statements | Requires Treatment | Yes/No |
| | | Financial Loss | | I | E | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 24 | Skewed demands from s151 officers | Service | | II | | Demand for services increases Additional permanent resources required | Requires Treatment | Yes/No |
| | | Financial Loss | | I | F | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 25 | Additional Partners during first two-three years | Service | | I | | Pressures in meeting specifications for TR and WB | Requires Treatment | Yes/No |
| | | Financial Loss | | I | E | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |
| FIN 26 | Training requirements for P/Q staff. | Service | | II | | Not operating with full resources | Requires Treatment | Yes/No |
| | | Financial Loss | | I | E | | Last Review Date | dd/mm/yy |
| | | Reputation | | I | | | Next Milestone Date | dd/mm/yy |
| | | Legal | | I | | | Next Review Date | dd/mm/yy |
| | | People | | I | | | Date Closed | dd/mm/yy |

| Likelihood | I | II | III | IV | V |
|---|---|---|---|---|---|
| A | | | 27 | | |
| B | | | 18 | | |
| C | | | 6 | 7 | |
| D | | | 12 21 | | |
| E | 25 | 1 5 10 15 26 | 2 3 11 23 | 17 | |
| F | 9 13 14 16 | 19 20 24 | 4 8 | | |

**Impact** →

| Impact | Likelihood |
|---|---|
| V = Catastrophic | A = ≥98% |
| IV = Critical | B = 75% - 97% |
| III = Significant | C = 50% - 74% |
| II = Marginal | D = 25% - 49% |
| I = Negligible | E = 3% - 24% |
| | F = ≤2% |

| Impact Classification | Service Disruption | Financial Loss | Reputation | Failure to provide statutory service/meet legal obligations | People |
|---|---|---|---|---|---|
| V Catastrophic | Total failure of service | >£1m | National Publicity. Resignation of leading member or chief officer | Litigation, claim or fine >£500k | Fatality of one or more clients/staff |
| IV Critical | Serious disruption to service | £500k - £1m | Local media criticism | Litigation, claim or fine £250k - £500k | Serious injury, permanent disablement of one or more clients/staff |
| III Significant | Disruption to service | £100k - £500k | Local public interest and complaints | Litigation, claim or fine £100k - £250k | Major injury to individual |
| II Marginal | Some minor impact on service | £10k - £100k | Contained within service | Litigation, claim or fine £10k - £100k | Minor injuries to several people |
| I Negligible | Annoyance but does not disrupt service | <£10k | Contained within section | Litigation, claim or fine <£10k | Minor injury to an individual |

For assessing the *likelihood*, use the following table:-

| | |
|---|---|
| A = ≥98% | Expected to occur in most circumstances |
| B = 75% - 97% | Will probably occur in most circumstances |
| C = 50% - 74% | Fairly likely to occur |
| D = 25% - 49% | Might occur from time to time |
| E = 3% - 24% | Could occur occasionally |
| F = ≤2% | May occur only in exceptional circumstances |

# RISK TREATMENT PLAN

*TO BE COMPLETED*

| Risk Ref: | Enter Risk Register Ref | Risk Title: | Enter description of risk from Risk Register | | |
|---|---|---|---|---|---|
| Responsibility | | *Who is managing the risk?* | Enter name of officer managing the risk | | |
| Consequence | | *What can go wrong?*<br>*How can it go wrong?*<br>*Has it gone wrong before?* | Insert the answers to the questions | | |
| Cause / Trigger | | *What happens to bring the risk into being?* | Insert specific things that must occur for this risk to be realised | | |
| Existing Control | | *What controls exist now to minimise the risk?* | Describe the controls that currently exist | | |
| Adequacy of Control | | *What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?* | Evidence is required – not just a statement that the controls are working. | Impact<br>See Impact Table | Likelihood<br>See Likelihood Table |
| Further Action / Controls Required | | *What gaps have been identified?*<br>*What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?* | Enter the additional / replacement control procedures you are proposing to implement | | |
| Cost / Resources | | *Are there cost / resource implications in achieving the further action above?* | Describe the resources required here | £ Enter cost here | |
| Current Status | | *What is the current position on introducing additional controls? What is the current Risk Rating* | Enter here the 'status' of the risk, i.e. how it has changed over time, when the further controls are expected to take effect etc. | Impact<br>See Impact Table | Likelihood<br>See Likelihood Table |
| Critical Success Factor | | *How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?* | Insert the answers to the questions. Will the impact and likelihood mean the risk can be tolerated / closed? | Impact<br>See Impact Table | Likelihood<br>See Likelihood Table |

**Version Control**

| Version No. | Date | Reason for Update / Significant Changes | Made By |
|---|---|---|---|
| 0.1 | 08/09/03 | Draft for discussion of contents | DAG |
| 0.2 | 4/11/08 | Issued to current Finance in scope staff for comments | AP |
| 0.3/ 0.4 | 10/11/08 | Various updates | AP |
| 0.5 | 11/11/08 | Issued to current Finance in scope staff and two s151 Officers for comments | AP |
| 0.6 | 19/11/08 | Issued to Extended Management Board for comments | AP |
| 0.7 | 27/11/08 | Issued to Watford and Three Rivers Management Boards for comments | AP |
| 1.1 | 09/12/08 | Draft Version – Joint Committee – 17 December 2008 | DAG |
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# Shared Services Programme
# Detailed Business Case

**DRAFT**
**Version 0.6**

**9th December 2008**

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# Contents

# 1.0   Introduction

## 1.1   Background

The Shared Services Programme was set up to develop a business case for sharing services in HR, ICT, Finance and Revenues & Benefits in order to improve performance, increase resilience and achieve cost savings for Dacorum, Three Rivers and Watford councils.  The initial detailed business case reviewed in December 2007 was not viable for Dacorum Borough Council who withdrew from the programme.  Since Jan 2008, the programme team has been developing the proposal to set up shared services between Three Rivers District Council (TRDC) and Watford Borough Council (WBC).

Approval was given by both councils (Watford 21st Jan 08, Three Rivers 4th Feb 08) based on sufficient expected benefits and affordable investment, to proceed to implementation.  Since then the programme team has been progressing on implementation activities and is now in a position to provide an updated version of the Detailed Business Case for consideration by management teams of both Councils and the Joint Committee.

## 1.2   Purpose of the Detailed Business Case

This document provides details of the benefits of sharing services in HR, ICT, Finance & Revenues & Benefits between Three Rivers District Council and Watford Borough Council and the key challenges for achieving our strategic goals.  It

- Provides an overview of how shared services will work in terms of structure, governance and new ways of working
- Describes the benefits of shared services in line with the original objectives of the programme
- Outlines the approach to how the impact on staff will be managed
- Outlines an implementation plan, approach to procurement, the costs of implementation and the key risks
- Provides the financial business case as a whole and by each council and how this business case, particularly the delivery of the benefits, will be monitored. *(Please note that this version of the business case does not currently include any financial information as this is being updated pending the work on pay and grading for Shared Services).*

It should be noted that there are a number of detailed working papers which form the basis of this document but which have not been included or appended, so that this document is not too large.  These documents are available by contacting the Programme Office.

These include:
- Operating Models for each of the 4 services in scope of shared services
- Joint Committee Delegation Agreement
- Draft Job Descriptions underpinning proposed structures
- Detailed assumptions underpinning the financial case and associated spreadsheets
- Equalities Impact Assessment

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## 2 Shared Services Operating Model

### 2.1 Vision for shared services

The overall vision for shared services, which has been the basis of the proposal of how shared services will work is that

*"Through Shared Services, Watford and Three Rivers councils will be a best in class provider of HR, Finance, ICT, Revenues & Benefits services, that is recognised by all our partners and customers in Hertfordshire as consistently delivering value for money."*

It is proposed this shared services goal will be achieved by transforming the ways in which these services are delivered through:

- The introduction of improved ways of working such as self service
- Use of technology to generate efficiencies, improve processing time and improve quality of service
- Taking a common approach to the delivery of support services and statutory transactional processes
- Being more customer and performance focused

### 2.2 Structure

The following overall structure is proposed for Shared Services once it is fully implemented.
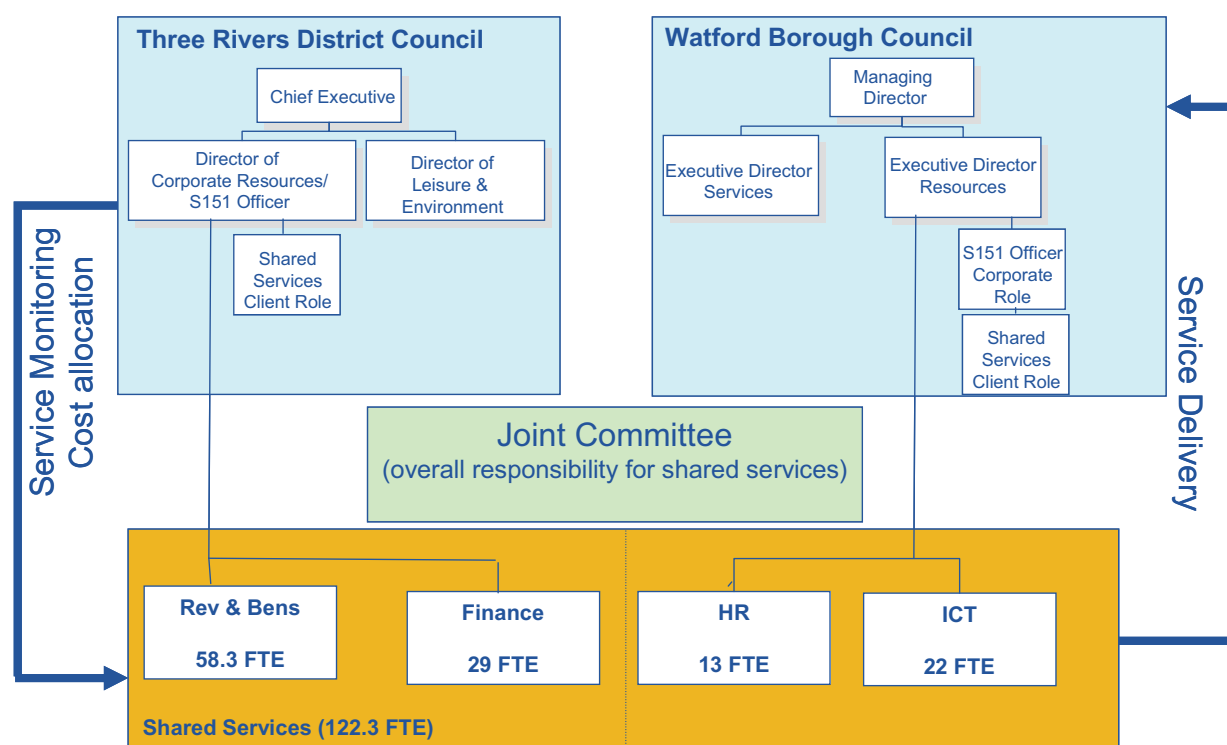


Service Delivery

The four services in scope will be delivered through joint teams for each of the services and when fully implemented will involve 122.3 FTE as shown in the diagram above.

Appendix A describes the proposed structures for the four services and the key improvement that will results in benefits of reduced costs, improved performance and increased resilience.

Each service will be led by a shared Head of Service, who will be responsible for leading a substantial programme of change to achieve the performance aspirations described in this business case and for providing services which meet the needs of both councils. It has been agreed that the senior management support to the Heads of Shared Services is shared across the two councils. Finance and Revenues & Benefits will report to the Director of Corporate Resources and Governance at Three Rivers and ICT and HR report to the Executive Director of Resources at Watford. This fits with the current organisational responsibilities and experience of the two directors. The costs in terms of the management time required from the two directors would be absorbed by the councils.

Governance

Both councils entered into a Joint Committee agreement on 24[th] July 2008 which provides the overall strategic management and governance framework for Shared Services. The Joint Committee, which has 3 nominated members from each council, now has responsibility and has delegated to it the ICT, HR, Finance and Revenues and Benefits functions from Watford and Three Rivers. A copy of the Delegation and Joint Committee Agreement can be found on both councils' websites or from their Committee services team.

Service Management

Shared services must meet the needs of the participating councils, as the running costs of shared services will be met by budgets agreed annually by each council. It is proposed that services received by the councils are managed via annually agreed medium term service plans and through service level agreements, both of which will be agreed by the Joint Committee. In addition, each council will monitor the quality and effectiveness of shared services, escalating any issues as appropriate to the Shared Services team or ultimately to the Joint Committee. At Three Rivers, this Shared Service monitoring role will be absorbed as part of the Performance and Scrutiny Service Plan. At Watford Borough Council this role will be fulfilled by a new post (1 FTE) and would report to its S151 officer which is part of the Strategic Head of Finance post effective from Feb 09.

Each council would retain its Section 151 officer to provide financial advice and guidance to the councils, as Members have requested.

## 2.3  Location

In the short term, until the future accommodation strategies of the councils and longer term development of the Shared Service is clarified, Shared Services will be located at the existing council offices, with each council providing accommodation for 2 of the 4 services in scope. Co-locating two services at each council will help create a joint service ethos and to minimise the feeling of a takeover of any service by either authority.

A post code analysis assessed that, based on staff's home to work distance; on balance it would be closer for most staff if Finance, ICT and Revenues & Benefits were located in Watford.  There is a sound business case for the Revenues and Benefits 'hub' to be at Watford – the caseload and volume of enquiries being greater in Watford, and the location still accessible for Three Rivers residents.   There is not a compelling case for locating any of the support services at either location.  Given the split of management responsibilities for the shared services between two directors, it is considered important that each director has a service located at each site to demonstrate that services are genuinely shared.

On this basis, Shared Services will be co-located as follows:

- ICT at Three Rivers
- Revenues & Benefits at Watford
- Finance at Three Rivers
- HR at Watford

It has been assumed that arrangements for hot desking, appropriate storage and other required facilities (such as interview rooms for benefit fraud investigations) would be available at both locations.  The programme is committed to ensuring that wherever feasible it will support individuals in managing their work patterns to minimise disruption due to a change in main office location such as flexible hours, home working and mobile/outreach work in benefits.

## 2.4  Technology

Shared Services will require that technology is harmonised wherever possible to benefit from economies of scale, procurement savings and enable common approaches to working.  There are two elements to the technology dimension of Shared Services: the overall IT infrastructure and the service specific systems, of which those in scope are dealt with immediately and all other applications being dealt with when they reach their end of life.

### IT Infrastructure

It is proposed that the councils' technology infrastructure will be consolidated onto a common platform enabling seamless transfer of data and communication between the Shared Service and its customers at both councils. This will involve

- Establishing a wireless link of 100 MB triangulated with a 100MB underground cable link
- Establishing a shared active directory structure that would allow both networks to be shared whilst retaining separate identities
- Introduction of a "thin client" environment at Three Rivers that would allow staff at either council to access their desktop regardless of where they are based.

It is proposed in the short term that the telephony networks are kept separate and call re-routing set up using existing facilities.  A separate business case will need to be considered to explore the options of either integrating existing telephony networks or the implementation of transmitting voice over the internet technologies.  Either solution is expected to require a significant investment.

In addition, as the server room in Watford is no longer suitable for hosting Watford's servers, it is proposed that these 70 servers are relocated. A number of options including relocating the servers to Three Rivers were explored. The preferred option is to locate the Watford servers at the Herts County Council server farm at Apsley. Although this option is marginally more expensive, the benefits outweigh the costs as it does provide more resilience and a platform for future growth of the shared service. It also allows easier integration to the Herts County Council's land-based network which Shared Services could utilise in the future.

**Service specific systems**

We have to distinguish between in-scope and out-of-scope service specific systems. The systems of services in the scope of Shared Services will be harmonised during the Shared Services implementation. The harmonisation of systems of services which are out-of-scope of Shared Services will be considered when they reach their end of life for which a separate business case would be required. This could realise significantly more savings then identified at present.

The decision to replace/upgrade or extend Watford's IT Helpdesk system to Three Rivers will be taken as part of the consideration of the service delivery options at the end of Three Rivers' existing support contract with Steria.

For the major applications used by HR, Finance and Revenues and Benefits, a full systems evaluation is being carried out to ensure the best system is used to meet the requirements of Shared Services and to ensure value for money. The option of hosting service applications is being considered as part of the procurement process.

The status of systems procurement in HR, Finance and Revenues & Benefits is shown below:

- **HR** – A procurement exercise, using the open OJEU process including full systems evaluation has been completed and "Resourcelink", an integrated HR & Payroll system, supplied by NorthgateArinso has been selected and approved by both management boards.
- **Finance** – A procurement exercise, using the open OJEU process including full systems evaluation has been initiated for a Financial Management system that will include Sundry debt and potentially Fixed asset management functionality.
- **Revenues & Benefits** – A procurement exercise, using the Catalyst framework agreement is proposed, as both the main providers of Revenues & Benefits systems (Capital and NorthgateArinso) are included. The new Revenues & Benefits system solution will include
    - o Mobile hand-held tools to enable mobile benefits claim processing
    - o "E-Benefits Form" to simplify completion of benefits form and reduce errors
    - o Front end layer to allow direct updates from any customer contact system

It is assumed that other systems such as Cash Receipting, Anti-fraud systems would not be harmonised in the short term as they are not major systems and relevant interfaces will be built as required to ensure an integrated approach. It is our intention that the existing Document Management system, which is the same at both authorities, will be used where required across all in scope services.

## 2.5 Contracting out services

Some of the functions within the four services in scope are currently contracted out to 3$^{rd}$ party providers by one or both councils. Shared Services intends to review the provision of services by 3$^{rd}$ parties and consider options including jointly procuring services when contracts expire and delivering the service in-house. For the purpose of this business case, only the following 2 areas of service provision have been included.

- **Payroll**: Currently, Three Rivers' payroll is outsourced to East Herts and Watford's is delivered internally. Following a joint procurement process, which included consideration of an in-house bid, it is recommended that payroll be outsourced as a managed service along with the provision of an integrated hosted HR system. The preferred bidder is NorthgateArinso and formal approval to proceed with this is being sought separately.

- **IT Infrastructure support**: Currently, much of Three Rivers IT infrastructure support is outsourced to Steria and Watford's is delivered internally. It is proposed that a joint procurement process is followed to ensure the best value solution is identified before the contract with Steria expires. For the purpose of estimating the financial business case, it is assumed that both councils' IT will be provided in-house once the Steria contract expires but this will be reviewed once the procurement is complete and costs and quality of external provision can be compared.

Other functions, such as the Internal Audit contract at Three Rivers and smaller contracts in IT are assumed to be unchanged until they are reviewed by the services once Shared Services is implemented.

## 2.6 Improved ways of working

Shared Services will introduce improved and standardised ways of working across the three councils. The key changes are described below.

| HR | Finance |
|---|---|
| • Increased use of self-service technology to view, update and monitor staff information and for simple and regular transactions thereby saving time for both staff, manager and HR professionals and increasing the accuracy of the data e.g. booking training on line, email reminders, all documents available electronically<br>• First line support for general HR queries improving service responses and freeing up time from HR specialists<br>• Simpler automated transactional processes e.g. mileage, timesheets, absence monitoring<br>• A phased approach to harmonisation of other procedures and HR policies via consultation routes<br>• HR officers focusing on more complex employee relations matters and workforce development | • Common Chart of Accounts<br>• Three year rolling plan for services<br>• Budget Holders have improved electronic access to financial data and better quality of reports thereby reducing day to day support from finance specialists<br>• Harmonisation of policies and practices to best practice standards<br>• More targeted use of specialist skills<br>• Multi-skilled accountants to provide more responsive service to customers |
| **IT** | **Revenues & Benefits** |
| • Use of industry specified standards and processes (ITIL)<br>• Use of common IT support software e.g. anti-virus, network monitoring<br>• Introduction of single sign-on for all systems<br>• Staff enabled to report and track incidents via the web<br>• Harmonisation of ICT policies across the councils in a phased approach and with appropriate approvals e.g. Information Security, Disaster Recovery<br>• Provision of a centralised multi-skilled application and business analyst support team to support business systems and business change | • Taking benefit services to the customer through the use of mobile technology which will allow benefits assessors to capture benefits claims information in the correct format, verify it and process claims quicker<br>• Enable as much high volume, low complexity queries as possible to be resolved at first point of contact i.e. the Customer Service Centres of each council. The aim is for 80% of revenues queries and 60% of the benefits queries to be handled by CSC staff and the remainder to be passed directly to the shared service back office. It is envisaged that there will be a benefits specialist presence from the shared service located at each CSC to allow any face-to-face queries also to be resolved at first point of contact.<br>• Promote the use of electronic access and reduce face-to-face queries esp. for revenues.<br>• Potential to reduce office space with increased levels of mobile and home working and reduction of paper through Document Image Processing. |

# 3 Business Benefits

Shared services will deliver the strategic objectives of the programme agreed by the councils.

## 3.1 Improved performance

- Shared Services will improve performance indicators to top quartile or best in class across all services, as shown in the table below
- Shared Services will also aim to extend the Customer Service Excellence Standard (previously Charter Mark) to Shared Services (currently achieved at Three Rivers) within 12 months of integration
- All services will work with each authority towards service specific or relevant corporate external quality standards
    - ISO Performance Mgt and Security Standard in ICT
    - Flagship status in Revenues & Benefits
    - Level 3 in Use of Resources Assessment
- Shared Services will improve the customer experience through
    - Provision of multiple access channels including introduction of electronic self-service in the support services, doorstep service delivery for benefits, and enable customers to go into any of the CSC plus outposts for Rev/Bens queries
    - Increased resolution of queries at first point of contact through 1st line support teams in CSC for Rev/Bens.
    - More responsive service due to larger size of team and increased joint resources

| Metric | Current Performance Best | | External benchmark | Shared Services Target on full implementation |
|---|---|---|---|---|
| | TRDC | WBC | | |
| **ICT (using SOCITIM benchmark)** | | | | |
| User Satisfaction in anonymous survey (7 point scale) | 5.64 | Nil | 5.30 | 5.65 |
| Operational incidents resolved within working hours (%) Resolved within 0-4 hours | 99 | Nil | 97% | 99% |
| Cost per PC | £684 | **£665** | £533 | £525 |
| Cost per voice connection | **£94** | £196 | £125 | £125 |
| Cost per connection to the data network | £188 | £172 | £106 | £100 |
| Support cost per workstation | £239 | **£192** | £215 | £190 |
| Network availability (excl. planned interruptions) | 99% | 99% | 96% | 99% |
| **HR** | | | | |
| HR FTE(excl payroll and H&S) per Headcount (excl. casuals ) | **1:72** | 1:46 | 1:64 | 1:63 |
| Cost per payslip, £ including overheads | **£13.41** | £15.85 | Not known | £7.16 |
| Days lost through sickness (0708) | **7.01** | 10.75 | 9 | WBC – 9 TRDC – 6.5 |
| **Finance** | | | | |
| BV76b Number of investigators | **0.39** | 0.48 | 0.50 | 0.41 |
| BV76c Number of investigations | **68.5** | 84.66 | 65.00 | 60.39 |
| BV76d Number of sanctions | 7.43 | **5.32** | 8.00 | 7 |
| BVPI 8 - Invoice paid on time | **97.99%** | 96.38% | tbc | 98% |

| Revenues & Benefits | | | | |
|---|---|---|---|---|
| NI 180 Changes in Housing Benefit/ Council tax benefit new claims and change events | Not available | Not available | Not available | To be determined |
| N 181 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events | Not available | Not available | Not available | To be determined |
| BV78a Speed of processing - new claims | **17.13** | 29.00 | 23.95 | 20 days |
| BV78b Speed of processing - change of circs | **5.58** | 8.80 | 7.04 | 5 days |
| BV79a Accuracy of benefit calculation | 96.59 | **98.63** | 99.00 | 99.2% accuracy |
| BV79bi Recoverable overpayments recovered | **101.39** | 72.20 | 82.00 | 82% recovered |
| BV79bii Overpayments recovered | **22.73** | 33.52 | 39.00 | 39% recovered |
| BV79biii Overpayments written off | **0.38** | 4.98 | 3.00 | 3% written off |
| BV9 Council Tax collected | **98.49%** | 96.83% | 98.60% | 98.7% collected |
| BV10 NNDR collected | **99.39%** | 99.83% | 99.36% | 99.00% |

Shared Services' Service Plans provide further details on the performance indicators and Service Level Agreements will also expand on these further.

## 3.2 Increased Resilience

Across all the service teams in shared services, the larger overall size of each team will increase the resilience of the service. This will be further enhanced through the proposal to multi-skill many 1st line support staff in all the shared services so that customer service is not compromised through any one person being out of the office. The multi-skilling approach will also provide flexibility to reallocate workload and provide cover during holiday periods and sickness absence. Being part of a larger team will also increase the pool of knowledge and expertise that councils can access as well as providing more opportunities to train and develop staff, which will improve retention. Flexible and remote/mobile work practices are likely to be easier to introduce with a larger sized team. Specifically, increased resilience will be achieved in the services as shown below:

| Service | How resilience will be achieved |
|---|---|
| Finance | o Generic job descriptions for posts of Finance Manager, Senior Accountants who will rotate on a three-yearly cycle and be re-assigned to services, functions and reporting staff. This practice should mitigate the effects of lean staffing and provide flexibility for wider team working and to provide cover during times of absence.<br>o Senior Accountancy Assistant and Accountancy Assistant will cover both Accounts Payable and Income when required.<br>o Specialist skill areas such as Insurance and Treasury, shadowing will occur to widen and strengthen the knowledge base. |
| HR | o Multi-skilled first line enquiry service to provide cover throughout operating hours.<br>o Transfer of common transactions to a self-service model using an integrated HR system that staff and manager can access.<br>o Generic job description of HR Business Partner who will support the same service areas in each council, but will also rotate and cover service areas to increase resilience. |

| Service | How resilience will be achieved |
|---|---|
| ICT | o   IT staff will cross-train each other to remove any single points of failure within the team.  To this end, the Application Analyst team will be generic and will assist services on a number of different systems.<br>o   Until 2010, the existing support contract with Steria at Three Rivers will run in parallel to the existing technical support team at Watford to ensure resilience during the heavy period of Shared Services implementation.<br>o   Both authorities will be connected on a triangulated network to ensure availability and resilience in data traffic<br>o   Network connectivity allows either of the two council locations to be used for front-line staff in case of an emergency<br>o   Continued alignment and harmonisation of systems and processes will bring further benefits and resilience to both councils. |
| Revenues and Benefits | o   Greater cover should enable leave and training to be scheduled more easily without detriment to the service.<br>o   There will be a greater resource to meet changes. Specific examples include:<br>  -   NNDR where both councils have one officer only dealing with this and in their absence no substantial cover. Skills and knowledge in NNDR will be transferring to billing officers.<br>  -   Quality and training officers will predominantly be working on benefits but will have exposure to revenues work also.<br>  -   Reconciliations on council tax refunds, direct debits etc. are currently done by one officer in TRDC, and have been delayed when that officer is absent or busy on other matters, leading to criticism by auditors. The shared service will be adopting the WBC approach where work is done by billing officers. The test that this has achieved greater resilience will be reconciliations always being performed on time.<br>  -   Recovery staff will deal with a diversity of collection – council tax, NNDR and housing benefit overpayments |

## 3.3  Financial Savings

<span style="color:red">Sharing services will generate approximately £xxxm per annum once the new arrangements are fully operational, an overall improvement on the baseline costs used in the business case by xx%.  Table to be inserted once the financial business case is completed.</span>

This is mainly through the

- reduction of posts from 150 FTE to 123 FTE (122 Shared Service plus 1 FTE client support at Watford) through management consolidation, sharing of specialists and economies of scale
- reduction in expenditure on purchased goods and services e.g. corporate training, corporate ICT infrastructure through joint procurement
- reduction in service systems licence costs through harmonising systems
- transfer of some functions which are currently contracted out to the shared service without increasing headcount or potential contracting out of other functions currently done in-house

The following savings have not been quantified for the business case:

- Accommodation costs: Although there will be less space required by the shared services team, the business case has not shown savings in accommodation costs as it is assumed that in the short term councils are not able to release that space to generate additional revenue savings.

## 3.4   Future Opportunities

In addition, there are further benefits listed below that could be achieved.  These have not been included in the business case, as they will take longer to implement.

- Cost reduction once transactional services have been consolidated through further expansion by processing more work from other organisations (and benefiting from economies of scale), extending the partnership or through outsourcing transactional elements if it is cheaper and can deliver the required quality levels.
- Further cost savings in ICT from reduced business application support if the major front line service systems were harmonised (i.e. CRM, Planning, Environmental Services, GIS)
- Further ICT savings through exploring server virtualisation and hosted systems (subject to business case on a system by system basis)
- Relocating shared services to a separate central site which requires less space through smarter working and freeing up existing councils office space to generate better value through commercial means
- Increased resilience through growth and expansion of services to other organisations
- Increased partnership working with other organisations e.g. DWP, Pensions Service
- Increase income stream e.g. by using in-house bailiffs
- Improve staff morale, performance and retention through bedding in new ways of working, "growing" own staff, running apprenticeship schemes in Rev & Bens

# 4   Managing the impact on staff

Implementing Shared Services in HR, Finance, ICT and Revenues & Benefits will impact directly on 135 employees excluding vacant posts in these services at Three Rivers and Watford Council.   For these employees, in addition to adopting new ways of working and new systems, sharing services will mean the following changes

- a new and rationalised management team operating under a Joint Committee
- new staffing structures for each service to which they will be deployed,
- new job descriptions with new pay and grading
- a reduction in the establishment, which for some employees may mean a competitive selection for posts in the Shared Services, or for other posts either within or outside of their current employer
- co-location of services which will mean that some employees will move to a new place of work.

This section sets out the proposed employment arrangements for staff, and recommends the approach to managing the transition to ensure minimal disruption to existing operations, enabling successful and timely achievement of the benefits described in the previous section.

## 4.1   Employment Arrangements

Under the agreed governance agreement, the Joint Committee can not directly employ staff.  Therefore the following employment arrangements, which have been based on advice received from the internal legal teams at both councils and validated with external advisors, would apply:

- Staff will remain employed by their existing council
- Strategic and day to day employee management would be delegated to appropriate officers by the Joint Committee and Management Boards.
- Terms and conditions and employment policies of in-scope staff in Shared Services organisation would be harmonised to ensure fair and equitable employment practices for people working alongside each other and to support integration into the new teams and good employee relations for the future.  (See Section 4.2 below)
- TUPE *(protection of existing terms and conditions on transfer to a new employer)* will not apply as there will be no change in employer.  The exception to this will be for Payroll staff at Watford who will be moving to a new employer as part of the managed service
- The new Terms and Conditions for Shared Services staff will be collectively agreed between management and employees and constitute a variation of their employment contracts.
- Employment costs would be cross charged to the Shared Service from each employing council and then the total costs of the shared service apportioned out to each council.
- The Joint Committee will agree which council should be the "employer" for any vacant or new posts that arises, with a view to achieving a balance in employing councils in the long term.

## 4.2   Changes to Terms and Conditions & Employment Policies

The Change Management proposals, which set out the main items with respect to changes to HR & transition policies has been consulted upon and agreed with the management teams of both councils and the Joint Committee in Sep 2008.  A copy of this is available from the programme team.   A summary of the key proposals are noted below for information in the following areas.

- Appointments of Heads of Service
- Mechanisms for consultation and negotiation
- Evaluation, Pay and Grading
- Redeployment of staff to new structures
- Relocation
- Areas to be harmonised later

It is recognised that there could be an industrial relations issue if staff who are not in scope feel aggrieved that the terms and conditions held by the staff in the Shared Services are perceived to be more generous (or vice versa).  There is a risk that there is potentially pressure to extend the shared services harmonised policies and terms across to other areas of the councils.  The financial impact of any harmonisation will be assessed and presented to the Joint Committee and councils for agreement before a change is introduced.

### 4.2.1  Appointments of Heads of Service

One Head of Service will be appointed for each of the 4 in scope services.  These new roles provide 'suitable alternative employment opportunities' for those individuals who currently head these services in both councils, and will be offered on their current terms and conditions.  The posts are not suitable alternative employment for members of staff currently in acting Head of Service positions.  The appointment process for Heads of Service is currently in progress.

### 4.2.2  Mechanisms for consulting and negotiation

Whilst it will be the responsibility of the Joint Committee to agree a new collective agreement for shared services, the following consultation arrangements have been put in place to develop a partnership between the Joint Committee, Shared Services management, UNISON and non-union representatives that recognises their distinctive roles, and establishes a workable and effective arrangement for good industrial relations.

It was originally proposed that there be regular consultation and negotiation meetings of Shared Services management with UNISON and non-union representatives via a Management Committee and Staff Forum.  UNISON have indicated that they are not prepared to negotiate with non-union representatives present, and as there has not been any interest expressed by Watford staff to nominate non-union representatives, these meetings will continue but with non-union representatives  from Three Rivers / Shared Services only.

Formal negotiation of local variations to the national terms and conditions will take place between management and UNISON at a separate joint Union / Management Committee.

The items upon which consultation will be conducted include:

- The new structure including the proposed number of FTEs, job descriptions, grades and progression, location, terms and conditions
- Business rationale for the change and its impact including the reasons for any proposed redundancies, the number and description of the current establishment, the number and description of roles where there are likely to be redundancies
- The proposed method how the redeployment and redundancy process will be managed – strategies to avoid compulsory redundancy/ mitigate redundancy, method of calculation of redundancy payment and support that will be provided to the individual.

Collective consultation with the recognised trade union and employee representatives will commence no later than 42 days in advance of the first notice of any proposed redundancy/ in advance of any proposal for variation of terms and conditions

Integral to the successful implementation of shared services is ensuring that the proposals for change meet equalities standards. An Equalities Impact Assessment (EIA) has been developed and will be agreed with Unison, staff representatives and Equalities & Diversity officers at both councils. All service plans will also include an equalities action plan.

### 4.2.3 Evaluation, Pay & Grading

The two councils currently use different Job Evaluation systems and adopt different processes for the evaluation and moderation procedures. All shared services jobs will be evaluated and their pay and grading determined through the same process that is best aligned to local government practice. It has been agreed that

- Shared Services adopts the NJC computerised job evaluation scheme for local government, (GAUGE)
- a new pay and grading structure is applied as currently being developed at Watford Borough Council
- a Steering Group is set up to oversee the implementation of the scheme and ensure consistency and fairness
- each role that is evaluated is checked(moderated) by a Job analyst and a line manager who have not been involved in the evaluation
- there is a formal appeals process

### 4.2.4 Re-Deployment to new structures

The size of the shared organisation will be 122.3 FTE and there will be an additional 1 FTE client role at Watford. Although a significant part of the efficiencies will be from a reduction of the staffing structure, some redundancies can be avoided as there are already a number of agency staff in post and some posts are currently vacant. If existing staff cannot be redeployed due to mismatch of skills, there may be a short fall in

posts filled and recruitment will be required.  Overall approximately 135 directly employed staff will be affected by the restructure of Shared Services across both councils.

Once the Shared Services jobs have been evaluated, pay and grading agreed, the existing services will be restructured in phases.  The Joint Committee and management will ensure that the re-deployment of employees to the new structure is managed sensitively and that employees are supported during the transition.  Strategies to minimise and avoid redundancies have been adopted, using the re-deployment process described in the Change Management proposals.

### 4.2.5  Relocation

67 employees (34 from Three Rivers and 29 from Watford) are expected to be directly impacted by the proposed location of the four shared services as shown in the table below

| Service | Location | Current Headcount | | Total |
| --- | --- | --- | --- | --- |
| | | TRDC | WBC | |
| | | | | |
| ICT | Three Rivers | 3 | 14 | 17 |
| Finance | Three Rivers | 12 | 15 | 27 |
| HR | Watford | 4 | 13 | 17 |
| R&B | Watford | 30 | 44 | 74 |
| Total | | 49 | 86 | 135 |

Staff changing offices

It has been agreed that staff are compensated for the additional travel costs and measures introduced to facilitate new travel arrangements in order to minimise the inconvenience caused due to relocation of offices.  Details of proposed compensation are described in the Change Management proposals.

It is recognised that, as a result of the requirement to relocate, some staff may face increased travel time due to the additional journey and the level of traffic congestion between the two councils during peak travelling times.   Both of the councils operate flexible working policies to support employees to achieve a work life balance, such as staggered hours, compressed hours, reduced/part time hours, flexi-time and home working.  All employees who are inconvenienced due to the requirement to change their place of work may request a change in their working arrangements.

Where flexible working options would provide employees with a solution, this would be discussed with individuals as part of the consultation process.  In addition, where services require an on-site presence at each council or there is a need to be mobile, staff may be able to be based at a particular office where appropriate.  All requests will be fully considered but approval would be dependent upon the ability to meet service demands.

### 4.2.6  Areas to be harmonised later

It is proposed that annual leave is not harmonised at this stage and addressed by the Head of Shared HR as a priority area once appointed. Comparisons of annual leave entitlement at each of the councils identified there is a significant substantive difference. Harmonising annual leave for the staff in scope of Shared Services would impact on out of scope staff in each council who could make comparisons with the Shared Services staff. The down side to not harmonising annual leave is that the staff in Shared Services will be working alongside colleagues whose annual leave entitlement may be more or less generous than their own. A separate analysis of the possible cost implication for councils of harmonising leave is being prepared and will be discussed with the Joint Committee separately.

It is proposed that harmonisation of the other people management operational policies such as disciplinary, grievance, performance appraisals, etc are investigated once the Shared Services Management Team is established as this would ensure there is consistency in people management processes for the staff in scope of the Shared Services. The decision regarding prioritisation and harmonisation of these policies would be for the new Shared Services Management Team and Head of HR to determine. In the interim, people management policies would be as per the employing council.

### 4.3   Managing the Change Process

In addition to managing the employment arrangements, it is important to ensure that the transition to shared services is managed successfully by addressing the following areas

- Communications
- Training and Development
- Maintaining service performance during transition

### 4.3.1   Communications

The approach taken to communications has been to secure the involvement and commitment of all stakeholders in the Shared Services programme through timely and consistent communications and engagement activities.  Some of the communication channels that will continue to be used are:

- Common Website accessed by all council staff and members
- Use of existing staff newsletters and members bulletins
- Use of face to face staff briefings, workshops, member seminars
- Demonstrations and visits to bring to life the ways of future working
- Involving the Joint Consultation and Negotiating Forums, described in Section 4.2.2 to reinforce communication and engagement

The communication and involvement activities are co-ordinated by a Communications Officer (to be appointed), who will have lead responsibility for ensuring that communications are issued consistently and at the right time.  Once implementation is complete, and processes/systems/staffing structures are in place, it is envisaged that there will not be a need for an ongoing communications role.

Getting feedback from staff on the programme and measuring the effectiveness of communication is considered to be a key part of any effective communications.  It is proposed that a variety of mechanisms be used for this purpose such as staff surveys, anonymous "have your say" feature on the website, email and telephone contact.

### 4.3.2   Training and Development

Training both staff within the in-scope services and other internal customers in the new ways of working will be a critical component of ensuring the shared services operations delivers the intended business benefits.  The training needs for each service are incorporated into each of the 4 service plans and will be rolled out in accordance with the following principles during the implementation phase. :

- Training needs will be based on individuals' current skills and knowledge compared to future required skills and knowledge and integrated with personal development plans.
- Training events will be timetabled in accordance with the service implementation phase to ensure that information is communicated/ skills are developed in sufficient

time for service implementation, but not so early in advance that information/ skills developed are forgotten, or messages lose their impact.

- Skills and knowledge required for shared services will be developed through a variety of methods including workshop/briefings; computer-based training, class room training and visits/ work shadowing, demonstrations.
- Materials, user guides, policies and other relevant material will be available electronically to minimise use of paper; to support staff and service users.
- Training will be designed and delivered through a combination of internal and external trainers.

### 4.3.3  Maintaining service levels during transition

The programme will put in measures to ensure service levels are maintained during the transition to shared services, including:

- Monitoring of key indicators with specified tolerance levels, which if exceeded will trigger contingency actions.  Some of these will be service specific and others will be more qualitative such as morale.
- Taking account of annual operational pressures when planning implementation
- Resourcing the proposed programme implementation team sufficiently to minimise implementation workload on staff with operational responsibilities and therefore avoid potential disruption to service performance.
- Other principles will be applied such as scheduling of training, office moves to avoid busy periods.

# 5 Implementation

## 5.1 Implementation approach

The implementation of shared services will be completed in stages:

- **Stage 1: Joint Management**: This stage is almost complete with the Joint Committee and the two Shared Services' directors in place. The process for appointing the Heads of Service is nearing completion. The Head of Finance and the Head of Revenues and Benefits have been confirmed, the Head of HR post will be advertised in the new year and the way forward with Head of ICT position is being progressed.

- **Stage 2: Deploy staff to new structures and co-locate staff**:

  Our intention is to deploy staff to new structures (as shown in Appendix A) and co-locate at the same time, to combine the sets of changes affecting staff rather than having two separately timed changes which may cause more disruption. The consultation to start the restructure process can start as soon as the pay and grading for Shared Services jobs are agreed. HR, ICT and Finance restructures can happen independently of systems harmonisation.

  For Revenues & Benefits, given the highly system-dependent nature of the service, the restructure and relocation will take place when their system is harmonised. The key dependency for this is that Thrive Homes Ltd vacate Three Rivers offices by May 09 to allow IT and Finance shared services to be co-located there.

- **Stage 3: Process and System harmonisation**: The majority of the changes required to enable shared services benefits will require harmonisation of processes and systems which will take longer. Other implementation activities required during this time include the development of service level agreements and agreement on common policies where appropriate. Some process and policy harmonisation could be introduced even after new systems have been implemented.

- **Stage 4: Operational and Benefits Realisation:** For each service, when all components of the changes are in place, that service will be considered to be operational in line with the new operating model i.e. staff are working in new structures in one location, new systems are in place and the main processes harmonised and service is being delivered against SLAs. From this point, benefits should start to be realised for the whole service both in terms of financial savings, performance improvements and resilience, although in some areas benefits will be delivered sooner. During this time, services may require transitional resources to provide additional support to embed changes in the organisation.

## 5.2 Implementation Timetable

The current implementation timetable below shows that the implementation of the major changes should be completed by April 2010. However, due to the delay in R&B and Finance system from the original date, the full financial benefits will not be delivered until November 2010.
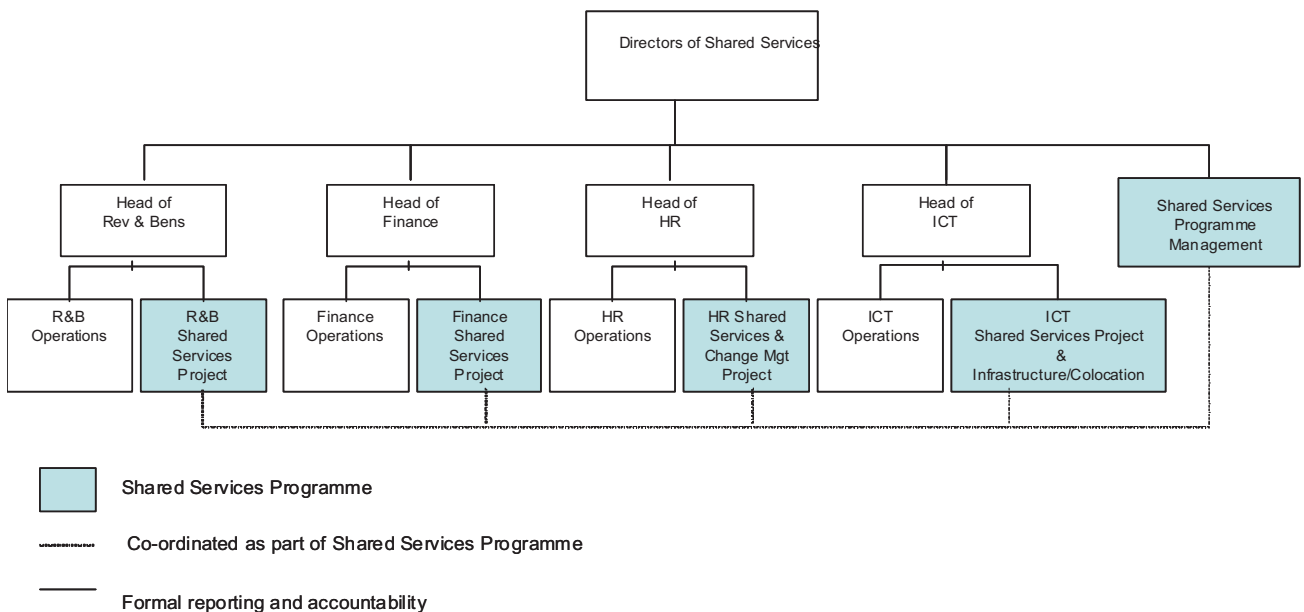
| Service | Restructure & Co-location | Process and system harmonisation | Full benefits realised |
|---|---|---|---|
| HR | April 09 | April 2009 – June 09 | April 2010 |
| Finance | April 09 | Jan 2010 - April 2010 | October 2010 |
| ICT | April 09 | April 2010 | April 2010 |
| Revenues & Benefits | November 09 | November 09 | November 2010 |

- In Revenues & Benefits further headcount reduction of 4 FTEs is planned one year after the system has been harmonised
- Transitional operational resources are required to assist with the close of year end following the introduction of the new finance management system
- For all 4 services, it is important that there is adequate transitional resource.
- Relocation of HR, Finance and IT is likely to be phased from April 09 subject to operational pressures and Thrive Homes vacating Three Rivers offices.

Detailed plans are being developed by each of the teams as they are resourced with input from external suppliers particularly with respect to timescales for harmonising systems.

## 5.3 Implementation team

The work required to implement Shared Services falls into activities that relate to each of the four services and other work which cuts across services, such as the Change Management, ICT infrastructure and co-location. Overall, the programme is organised into 5 projects as shown in the shaded boxes in the diagram below. These will be co-ordinated as one programme, although 4 of the projects will report directly to the heads of the shared services to ensure ownership and buy in from the services. As projects end, any continuing shared services implementation tasks will be handed over to the service operational teams to integrate into business as usual.

| Project (project duration) | Description |
|---|---|
| Revenues & Benefits Shared Services (Now – Nov 09) | To implement the required changes in processes, systems and structure for the Revenues & Benefits service to deliver the business benefits. Including any review of tenders, contracts, etc |
| Finance Shared Services (Now until March 10) | To implement the required changes in processes, systems and structure for the finance service to deliver the business benefits. Including any review of tenders, contracts, etc |
| HR Shared Services and Change Management (Now until June 09) | To implement the required changes in processes, systems and structure for the HR service to deliver the business benefits. Including any review of tenders, contracts, etc and<br>To ensure a smooth transition of staff to shared services by developing and implementing appropriate HR policies, consultation, and training. |
| ICT Shared Services & Infrastructure/Co-location Project (Now – Mar 10) | To implement the required changes in processes, systems and structure for the IT service to deliver the business benefits. Including any review of tenders, contracts, etc and<br>To set up the IT infrastructure and connections to enable a smooth transition to the planned office moves and<br>Ensure smooth systems implementation across the shared in scope services. |
| Shared Services Programme Management (Now until Oct 09) | To set up and manage the overall shared services programme, working as a fifth strand to the Shared Services operational team for the duration of the programme, including setting up the council side management, governance, service delivery and monitoring arrangements. |

The resources will be sourced through seconded staff or agencies where we do not have the internal capacity. Appendix B provides more details on the roles and the overall governance arrangements for the programme.

## 5.4 Procurement

The Shared Services programme will need to procure a number of goods and services to harmonise ways of working and to manage the transition. These include

- Service applications/software
- Hardware and technical infrastructure
- Goods and Services to support the transition process:
- Implementation resources
- Service Delivery solutions: Payroll service provision and ICT Infrastructure support

In general the approach will be to procure with agreed contract procedure rules and EU Procurement Legislation. Existing local government framework agreements or consortia such as OGC Catalyst will be utilised where the providers are considered to provide value and represent the supply market.

One council will enter into the contract and the costs of service will be shared as per the distribution of costs agreed in the Joint Committee Agreement. The contracting authority will be determined on a case by case basis with agreement from the Shared Services directors or the Joint Committee as appropriate depending on the level for major procurement such as service delivery and service systems.

Appendix C provides further detail on the procurement strategy.

## 5.5  Implementation Risks

There are a number of risks that could delay the implementation, benefits realisation and could result in increased implementation costs.  These include:

- Technical connectivity  - delays in procurement, problems during set up that were not anticipated
- Procurement delay – delays in the procurement process for either consultancy support or other systems will delay the start
- People consultation and restructuring – delays in consultation, potential appeals processes and instances of posts not being filled will lead to delay in getting a full shared services operational team in place
- Increased cost (actual) or in terms of time (grievances) due to harmonisation being extended to out of scope services
- Delays to approval – any delay to approval of any changes to processes or policies by Cabinet/Executive Committee s or the Joint Committee
- Systems design and conversion – takes longer due to currently unknown complexities, more effort required for data cleaning and conversion
- Review of ICT infrastructure/service support.  This service is currently delivered by a third party at Three Rivers, the move to a new model for this contract (whether brought back in-house or externalised) for both councils may impact the business case.
- Benefits realisation – shared services could become operational but not deliver the planned benefits, particularly in performance

These risks will be monitored, managed and contingency/mitigating plans put into place as part of managing the programme going forward and integrated into service plans of each Shared Service.

## 5.6 Implementation Costs

The shared services implementation is expected to cost approximately £xm.  The costs below will be updated as part of the financial business case.

| Cost Item | Costs, £, 000 | Description |
|---|---|---|
| Programme Management | | This includes the cost of all internal and external resources, any specialist advisors and other programme office running costs |
| Transition support in Finance | | This is a new cost that reflects the transitional consultancy support required in Finance due to the delay of systems harmonisation. |
| Change Mgt/Office | | These include one off costs relating to<br>- selection/recruitment<br>- training & communications<br>- staff support (e.g. outplacement)<br>- office move/accommodation<br>Systems specific training is included in the systems implementation costs. The office move costs include the configuration of existing office space, as well as any costs for moving of furniture, files, disposal, etc. |
| Employee transition | | These costs include an estimate of potential relocation allowances which staff that have to relocate may be given.  It also includes potential salary protection costs that will arise where staff move to posts with a salary that is lower than their current salary. |
| Redundancy & Pension Strain | | The redundancy costs include an estimate of redundancies arising from a reduction in posts.  Pension strain costs are expected where staff may leave on early retirement and where pension costs have to be paid out as a lump sum per FTE.  There is an option to spread pension strain over several years, although there would be an associated interest cost. |
| Technology & Systems (Capital) | | These costs relate to all one off investments in harmonising technical infrastructure, the purchase and implementation costs of harmonising service systems (including any related technical consultancy and systems training).  Ongoing maintenance costs are captured in the future operational costs. |
| **Total** | | |

The differences in the implementation costs from the approved Business Case in Feb 08 and the reasons for this are described in Section 6.4.

# 6 Financial Business Case

## 6.1 Structure of the financial business case

To be completed.

## 6.2 Overall Financial Summary

To be completed

## 6.3 Affordability for each council

### 6.3.1 Calculation of benefits and costs to each council

To be completed

### 6.3.2  Councils Specific Business Case financials

<span style="color:red">To be completed</span>

### 6.4  Key Differences to the approved version of the Business Case

In January and February 2008, Watford and Three Rivers councils approved the business case and agreed to proceed to implementation.   The key changes in this updated business case are summarised below with an explanation of the reasons.

<span style="color:red">This will be inserted once the financials have been completed.</span>

## 6.5  Managing the business case

The Business Case sets out the costs and benefits of shared services and the timescales within which these will be achieved for both councils.  It is proposed that the progress against delivering this business case and the realisation of benefits is measured in the following way.

1. **Financial savings and costs** of shared services are incorporated into annual budgets of the four in scope services or the council's client side costs. Achievement of the savings and spend on the programme can be monitored as part of monitoring the services' budgets.

2. **Benefits of shared services** in regard to performance improvements and resilience are incorporated into the service plans for each of the in-scope services and monitored as part of the service plan monitoring process.  In addition performance improvement will be managed through tracking of service levels as part of the service level agreements process.

3. **Progress against the shared services timetable** will be reported to the Joint Committee and to management boards using existing mechanisms.

The three year service plan for shared services' from FY0910 onwards incorporates the business case as shown in the table below.

| Business Case component | Service plan |
|---|---|
| Summary of benefits | 1.2 Contribution to shared services objectives |
| Financial savings | 2.6  Cashable efficiency gains |
| Implementation costs | 2.6  Revenue Implementation costs<br>2.7  Capital investment |
| Performance improvements | Performance Indicators<br>Benchmarking information<br>Workforce development |
| Programme Risks | 3.8  Risk Management |

Appendix D shows how the financial business case has been separated out into each service's budgets for the next 3 years.

In addition, it is recommended that an update against the overall business case for all four services is provided at every Joint Committee meeting until December 2010 that shows
- Actual expenditure compared to the agreed business case ( by council and overall)
- Achievement of savings, performance improvements and progress made towards increased resilience ( by council and overall)
- Explanation of any variations to the above and recommended actions

# 7 Next steps

## 7.1 Approval

The programme is seeking the following from the Joint Committee.

- Approval of the updated Detailed Business Case and the proposals on how it will be managed going forward
- Agreement to proceed with consultation on the proposed structures, subject to agreement on pay and grading

## 7.2 Next steps

**Complete job evaluation, pay and grading:**  The key priority is for the programme to complete the pay and grading for shared services jobs so that it can proceed with consultation and restructure of the services.

**Implementation:**  The programme will continue with resourcing the implementation team and proceed with the planned implementation.  A detailed Programme Initiation Document for the next phase will be developed by the implementation team set up for the next phase. The Detailed Business Case as presented in this document will now be set as the baseline against which actual costs and benefits will be tracked via the service planning process and annual updates to the Joint Committee as part of the budget setting process.

**Systems procurement and implementation**:  The programme will continue as planned to procure and implement the required technical and systems solutions as described in this Business Case.

**Development of SLAs:**  The programme team will work with the Shared Service management team and the councils' stakeholders to develop Service Level Agreements to allow effective management of service delivery and performance.

**Further development of the Shared Service:**  It is recommended that a longer term growth and development strategy be considered for the Shared Service while the implementation is progressing.  This is to ensure that work can start now to consider sharing more of our services and potentially explore interest with other councils so that there is a pipeline of future work for Shared Services.   Any implications on governance, location etc can also be considered early.  This would ideally be a key task for the Shared Services Management team.
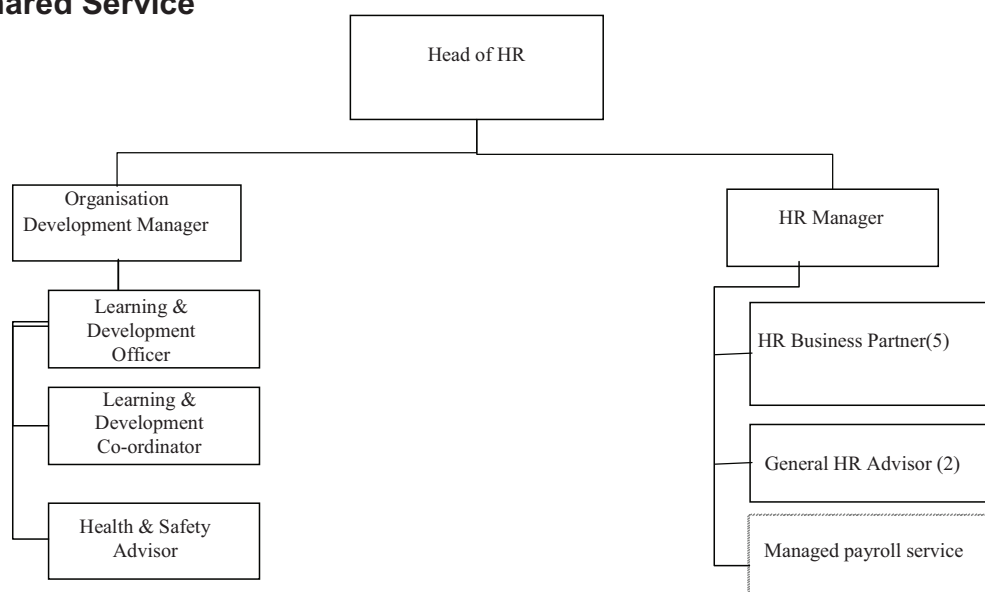
# Appendices

# Appendix A: Service Structures

This appendix describes the proposed structures for the four services within the scope of Shared Services. The following assumptions and principles have been applied to all the service structures.

- Each structure chart shows the proposed final structure on the basis of which the financial benefits have been estimated following full implementation. The timing over which staffing levels will be reduced will vary by service depending on the nature and complexity of the change involved. E.g. it will take longer to reduce staffing levels where this is dependent on implementing new systems.

- Job descriptions have been developed to take into account principles that will improve resilience of the organisation e.g. multi-skilling, generic roles.

- The jobs shown in the structures are currently being evaluated and their pay and grading will be determined prior to consultation and implementation. The approach to Heads of Service salaries will be different as described in Section 4.2.1 of this document.

- The structure charts only show the permanent establishment of shared services on full implementation. Any non-permanent operational support is noted separately and any implementation resources are included under the implementation costs of the programme.

**HR Shared Service**

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                          ┌─────────────────┐
                          │   Head of HR    │
                          └─────────────────┘
                                   │
            ┌──────────────────────┴──────────────────────┐
  ┌───────────────────┐                        ┌───────────────────┐
  │   Organisation    │                        │    HR Manager     │
  │ Development Manager│                        └───────────────────┘
  └───────────────────┘                                  │
            │                                  ┌──────────────────────┐
  ┌───────────────────┐                        │ HR Business Partner(5)│
  │    Learning &     │                        └──────────────────────┘
  │   Development     │                        ┌──────────────────────┐
  │     Officer       │                        │ General HR Advisor (2)│
  └───────────────────┘                        └──────────────────────┘
  ┌───────────────────┐                        ┌──────────────────────┐
  │    Learning &     │                        │ Managed payroll service│
  │   Development     │                        └──────────────────────┘
  │   Co-ordinator    │
  └───────────────────┘
  ┌───────────────────┐
  │  Health & Safety  │
  │      Advisor      │
  └───────────────────┘
```

The proposed HR structure incorporates the following improvements to ways of working.

- The introduction of a philosophy of self service enabled by a new hosted integrated HR and Payroll system. This is expected to reduce the demands on the time of HR advisors. Electronic updates and reduction of paperwork will also improve the quality of information and time taken to retrieve employee information and statistics.
- The development of a business partner model where HR professionals develop better service understanding across both councils to allow them to provide HR solutions and advice in line with business needs.
- The set up of a front line HR enquiry service in the posts of General HR advisor which will provide a reliable service for frequent, simple HR queries and processing of standard HR transactions, that cannot be automated.
- The set up and delivery of a shared training programme, which allows both councils to access a full range of training and development programmes, in line with their corporate training strategies. Much of the training will be commissioned externally with some training continuing in house such as corporate induction.
- Streamlining of the recruitment process and enablement of line manager led recruitment activity and response handling for job packs managed by the CSCs (as currently done at Three Rivers)
- The delivery of HR strategy through three key roles of the HR Head of Service, Organisation Development Manager and the HR Manager. Whilst the role of the HR manager will focus on employee relations and policy issues, the Organisation Development manager will focus on workforce planning, succession planning and training.
- The transfer of both Three Rivers and Watford's payroll services to a third party
- Management of any external contracts and any interfaces to external providers (e.g. payroll administration, occupational health at Watford Borough Council) is expected to be shared amongst the HR team.

Other resources not shown

The following resources will work with shared services HR team to support the implementation of shared services.

   o 1 FTE HR Implementation officer for 12 months to implement the new HR system and process changes
   o Change Management team for 6 months supporting shared services including a Change Manager who has been appointed. A Job Analyst is also in post to support with the evaluation of shared services posts. The implementation costs include an additional 2 resources to support with the consultation process.

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## Finance Shared Service
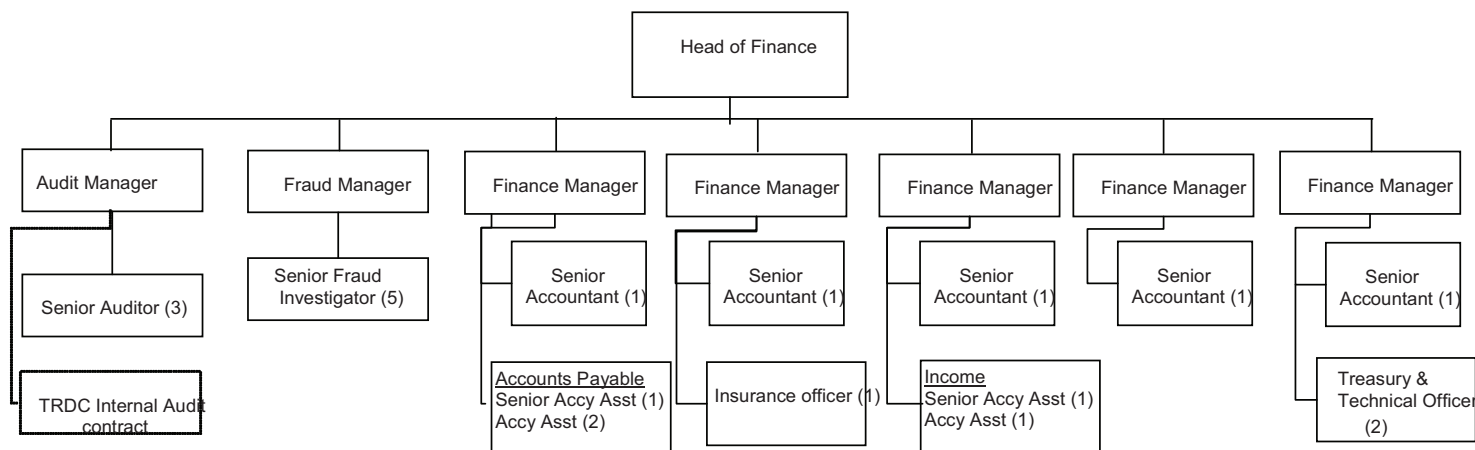


The proposed Finance structure incorporates the following improvements to ways of working.

- A single internal audit function, overseen by one manager who will also oversee the currently outsourced internal audit function at Three Rivers. Whether the TRDC internal audit function will be internalised will be reviewed post the integration of the two functions under one manager.
- A single fraud section, whose role could be extended to cover both benefit and corporate fraud.
- Retention of financial expertise across both councils through the key roles of lead accountants, who would take on either a Service or Corporate Accountancy lead across both councils, utilising service/functional knowledge to support front line services. Each lead accountant will be supported by more junior finance professionals providing back up and resilience to the authorities.
- Financial process expertise in areas of accounts payable, insurance, income and treasury management would be consolidated and managed directly by one of the lead accountants, providing them with line management experience and development opportunities.
- Use of a common finance system across both councils based on common financial planning, monitoring and reporting processes and tools, to improve the responsiveness and quality of service and meet Use of Resources standards
- It is assumed that corporate risk management and the role of the Section 151 officers are outside the scope of the shared service and will be retained by each council.
- The transfer of systems administration for the new common finance system to ICT, where more than one ICT application analyst can be trained to support the system, providing increased resilience.
- The transfer of income collection to Revenues & Benefits to maximise economies of scale and provide resilience as well as separation of income collection and management duties.

Other resources not shown

- 2 Finance managers will be seconded for approximately 12 months to work on the implementation of the Finance system and their roles will be backfilled.
- In addition, a further 2.2 agency finance managers currently at Watford will continue to provide support until the completion of year end closing in Sep 2010 to ensure a smooth transition and effective knowledge transfer to new finance staff.
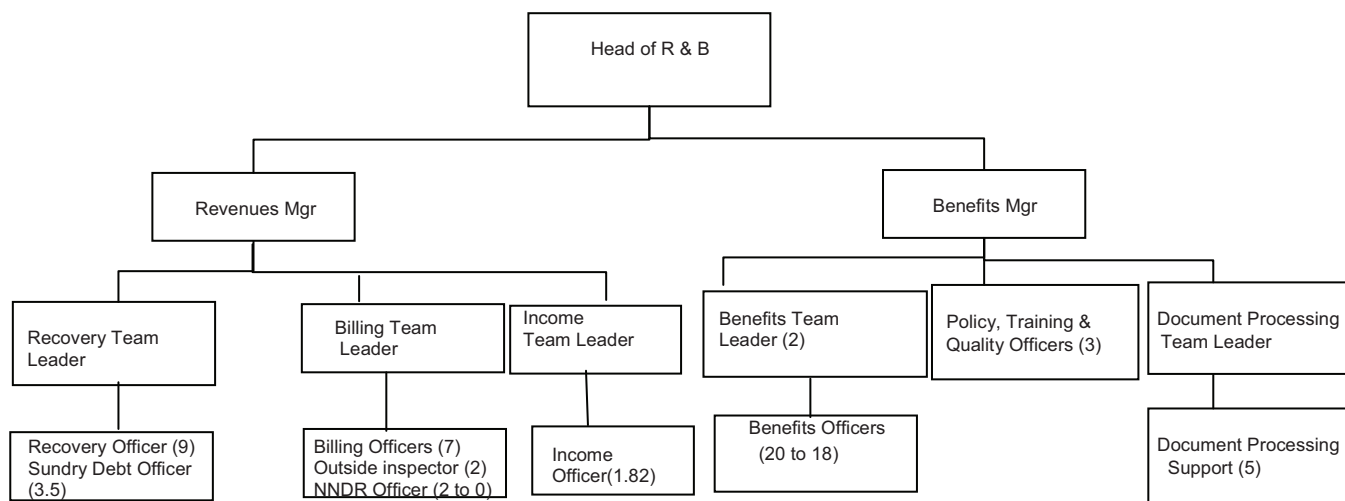
**ICT Shared Service**
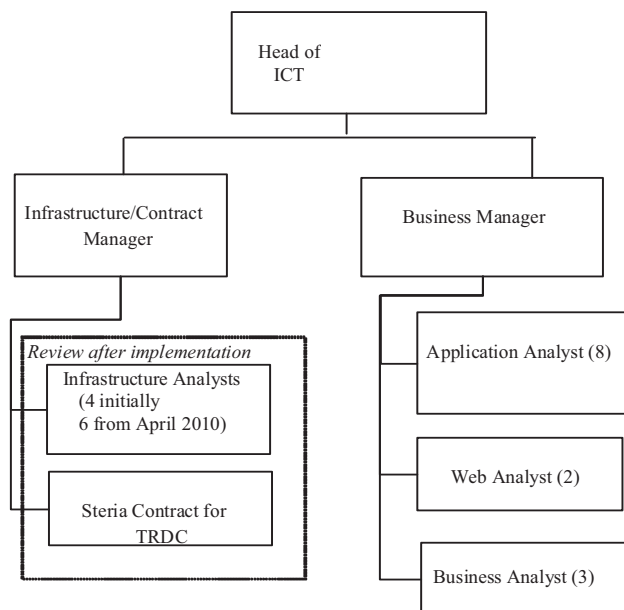


The proposed ICT structure incorporates the following improvements to ways of working:
- The introduction of communications linking the two councils and introduction of "thin client" working to Three Rivers, will allow service desk support team to be reduced to 4 FTEs to support Watford's staff, rising up to 6 FTE to support Three Rivers staff once the contract with Steria ends in March 2010.   Until the end of the Steria contract, TRDC service desk and infrastructure support will continue to be provided by Steria, whilst all the areas under the Business Manager shown above will be shared across the two councils.  There is an opportunity following the implementation of ICT shared service to monitor and compare the in-house performance of the infrastructure team to the outsourced provider and consider whether an in-house or externalised solution provides the best value for money for the quality of service.
- Increased resilience and improved service provision through a central team of multi-skilled business support IT professionals that have the functional knowledge of front line services and the technical knowledge to help deliver IT led business improvements.
- The application analyst team will provide support for those service applications which are currently supported centrally by ICT and any applications used by the in scope shared services.  That is,
  o GIS, CRM, Environmental services/Planning currently supported at Watford Borough Council; CRM & Rev/Bens systems currently supported at TRDC
  o Plus the centralisation of application support for Finance (including Cash Receipting and Finance systems) and Document Management support as a result of shared service, requiring two additional FTE in this team
  o It is assumed that all systems admin roles that exist in services that are outside shared services scope will remain in those services and not be part of the Application analyst team. The opportunity to centralise these to provide more resilience could be explored as a separate project.

Other resources not shown

- I IT Implementation co-ordinator for 15 months to oversee the systems and technical implementation supported by an additional 1 FTE capacity in the infrastructure team.

- **Revenues & Benefits Shared Service**



The proposed Revenues & Benefits structure incorporates the following improvements to ways of working.

- The introduction of a common revenues and benefits system across both councils
- The use of mobile technologies to take benefits claims processing to the customers reducing the time taken to process claims, improving accuracy and reducing time spent on correcting errors
- The use of intelligent e-forms to improve productivity of less experienced benefits staff and enabling front line CSC staff to handle more benefits queries
- The transfer of simple, high volume queries from the back office to front line CSCs at both councils, so customer queries are resolved at first point of contact and expert staff are left to focus on more complex queries
- Aim to reduce the volume of sundry invoices, particularly at Watford Borough Council and time taken to recover debt
- The consolidation of all benefits processes under one manager, including any policy training and quality monitoring to ensure full accountability within one team
- A centralised document processing team providing economies of scale to scan paperwork and process direct debits
- It is assumed that 2 NNDR officers' work could be absorbed by the Recovery and Billing teams after the first year of implementation.   However, there is scope to retain these roles as separate NNDR roles if additional NNDR work from other councils were processed by this team.
- It is assumed that the improved benefits processes would be sufficiently bedded in following implementation to reduce the benefits officers from 20 FTE to 18 FTE
- It is assumed that 1.82 of the Income team will continue to manage income for Watford only as per the current process

Other resources not shown

A R&B implementation team of approximately 4 will be involved over 10-12 months to implement the new R&B system and associated process changes.

# Appendix B:    Implementation team

This appendix describes how the shared services implementation team will be structured and the governance arrangements for the implementation phase.  It is structured in 3 parts.

- Shared Services Programme Team structure, resourcing approach and roles
- Shared Services Programme Governance arrangements and links with other out of scope areas
- Next Steps for establishing the implementation team and governance arrangements

## 1.   Shared Services Programme Team Structure and Resourcing

The work required to implement Shared Services falls into activities that relate to each of the four services and other work which cuts across services, such as the Change Management, ICT infrastructure, co-location of staff and governance arrangements.

Feedback from the service leads was that the best way to maintain ownership and ensure that the programme is sufficiently resourced to deliver the change was to
a)  define clear projects/work strands for implementing shared services and
b)  give the ownership of these work strands to the relevant service heads

The programme has identified 4 service specific work strands to transform each service to the new shared services model plus 3 cross service strands for
- ICT, covering infrastructure and co-location of staff
- Change Management, covering all HR aspects of transitioning to shared services
- Programme Management, covering overall co-ordination of the work strands, business case management, development of SLAs and setting up of the joint committee, performance and cost monitoring framework for shared services

The ICT and Change Management strands report into the ICT and HR heads of service, whilst the programme management strand will report directly to the Directors of shared service.  The programme manager will work closely with the projects that sit with the Heads of Service, as illustrated in the diagram below.
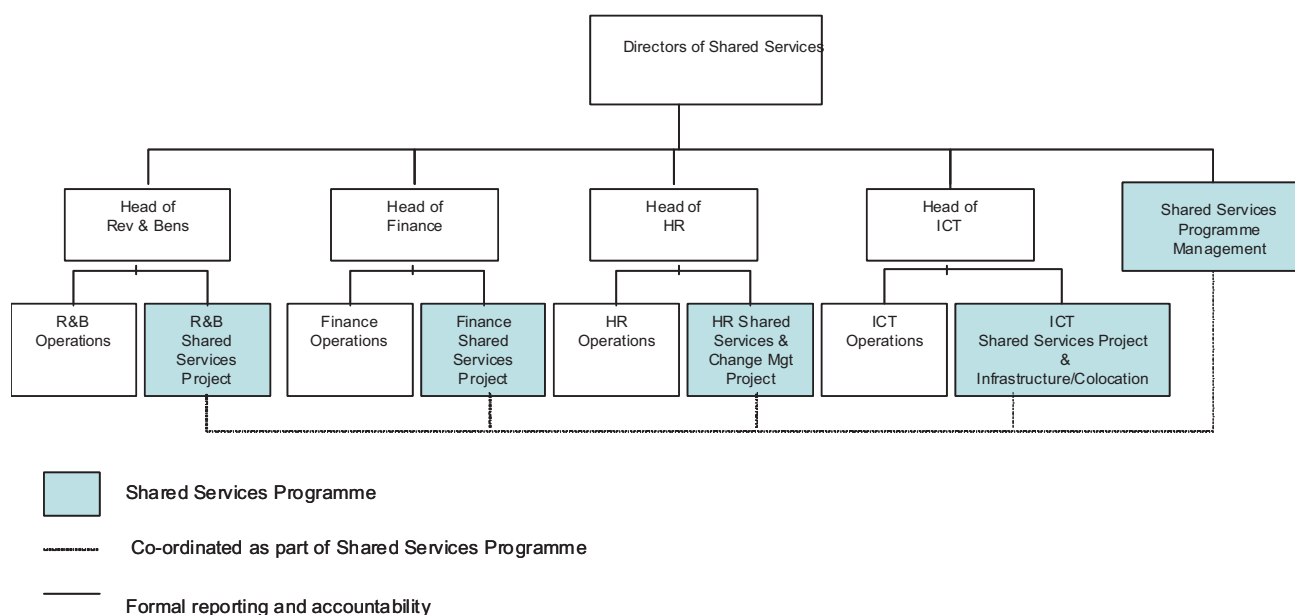


Overall, the programme will be organised into the following 5 projects.  These will be co-ordinated as one programme, although 4 of the projects will report directly to the heads of the

shared services to ensure ownership and buy in from the services.  As projects end, any continuing shared services implementation tasks will be handed over to the service operational teams to integrate into business as usual.

| Project (project duration) | Description |
|---|---|
| Revenues & Benefits Shared Services<br>(Now – Nov 09) | To implement the required changes in processes, systems and structure for the Revenues & Benefits service to deliver the business benefits including any review of tenders, contracts, etc. |
| Finance Shared Services<br>(Now until March 10) | To implement the required changes in processes, systems and structure for the finance service to deliver the business benefits including any review of tenders, contracts, etc |
| HR Shared Services and Change Management<br>(Now until June 09) | To implement the required changes in processes, systems and structure for the HR service to deliver the business benefits including any review of tenders, contracts, etc.<br>To ensure a smooth transition of staff to shared services by developing and implementing appropriate HR policies, consultation, and training. |
| ICT Shared Services & Infrastructure/Co-location Project<br>(Now – Mar 10) | To implement the required changes in processes, systems and structure for the IT service to deliver the business benefits including any review of tenders, contracts, etc.<br>To set up the IT infrastructure and connections to enable a smooth transition to the planned office moves.<br>To ensure smooth systems implementation across the shared in scope services. |
| Shared Services Programme Management<br>(Now until Oct 09) | To set up and manage the overall shared services programme, working as a fifth strand to the Shared Services operational team for the duration of the programme, including setting up the council side management, governance, service delivery and monitoring arrangements. |

The resources will be sourced through the following routes, on the assumption that resources would be fully committed to the programme and not involved in any other operational or project work:
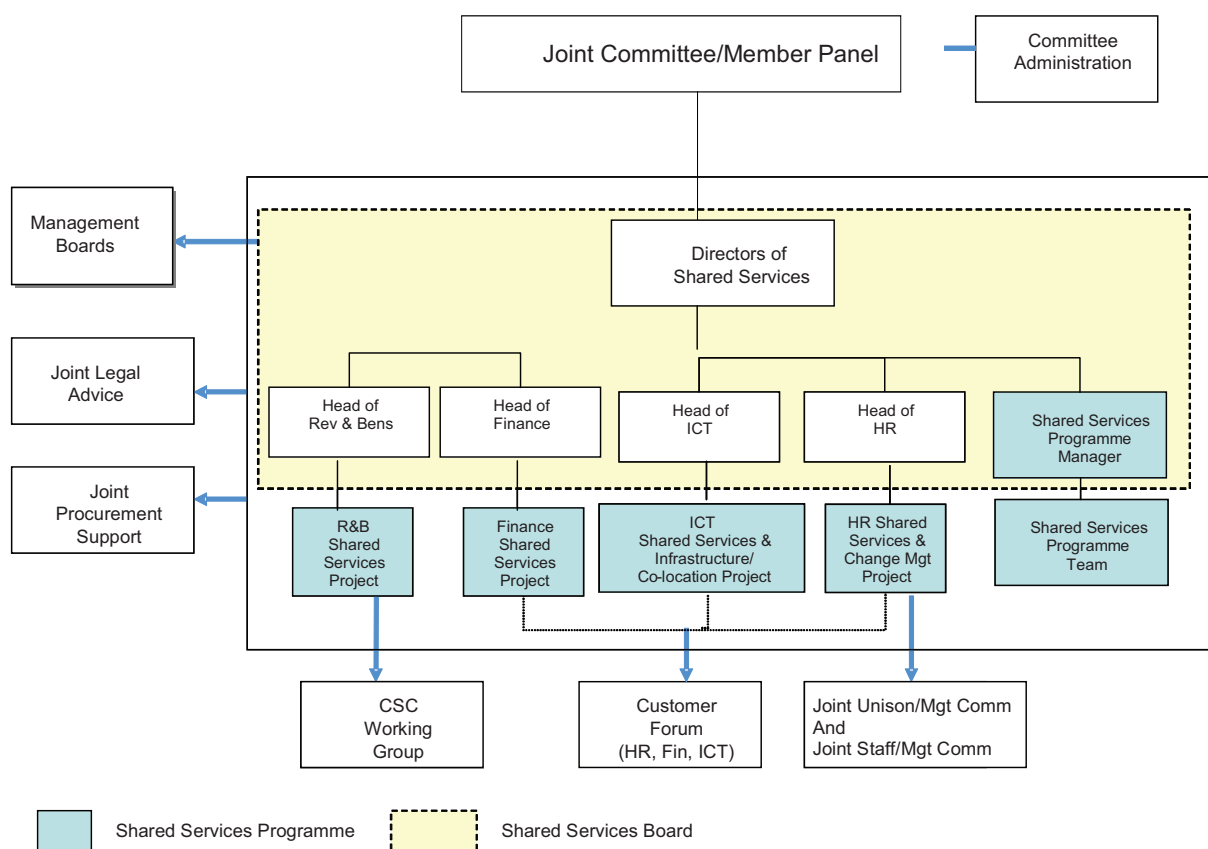
1. **Seconded staff**:  Existing staff will be deployed to the posts based on existing skills and capacity and their substantive posts backfilled through bringing in agency or contract staff.

2. **Agency/Contractors**:  Where we do not have the internal capacity, we will recruit agency staff or contractors on a fixed term basis to support the implementation.  Each service/project area will source agency/contract staff using their existing contacts and following existing procedures at either council.

3. **Consultancy**:  Currently it is thought that this will not be required as all the service areas expressed a preference to source individual contractors/agency staff directly rather than procuring a consultancy service to manage any of the implementation.

The table provides a summary of the expected roles for the implementation phase.

| Role | Description | Indicative Duration (mths) |
|------|-------------|---------------------------|
| Programme Manager | To plan, direct, resource and manage the implementation of shared services in order to deliver the business case benefit. To provide general challenge, advice and expertise to the Shared Services Board and Shared Services Management team | 12 -15 |
| Programme office support | To provide administrative, logistical and project management support. | 12-15 |
| Communication Officer | To develop and implement a communication strategy and plan that engages and involves stakeholders across the councils in a consistent and timely way. | 12 |
| SLA Co-ordinator | To work with the heads of service and customers to develop and agree SLAs and KPIs and performance management framework | 4-6 |
| Change Manager | To implement the change management strategy, ensuring a smooth transition to shared services in line with agreed councils' policies and within legislative guidelines and planned timescales. | 6 |
| Job Analyst | To evaluate shared services roles and help establish pay and grading | 3 |
| HR Restructure Officer | To support the process of transition into new structures for the Shared Service meeting agreed objectives for each phase within planned timescales. | 3-4 |
| HR Administrative Support | To provide project, logistical and administrative support to the HR Project team, meeting agreed objectives for each phase within planned timescales. | 3-4 |
| ICT Implementation Project Co-ordinator | To manage all aspects of the Shared Services IT infrastructure implementation, including the project management of system implementations, and managing software and service suppliers through the transition process. | 15 |
| Technical Support | One agency infrastructure engineer will be recruited to provide additional capacity to this team for 18 months during the implementation of shared services. | 15 |
| HR implementation officer | To implement the HR system and processes. | 12 |
| R&B Implementation Manager *2 FTE | To manage all aspects of the Revenues and Benefits (R&B) Shared Services Programme. | 12 |
| R&B Implementation Officer * 2 FTE | To work with Revenues & Benefits managers once the system supplier is selected | 10 |
| Finance Implementation managers Backfill * 2 FTE | Seconded managers who will be backfilled for 12 months to lead the finance system implementation. | 12 |

## 2. Shared Services Programme Governance

The programme will fit into the overall management and governance of the Shared Service as shown below.



| Joint Committee | The Joint Committee will oversee the running of the shared service. The directors sharing operational responsibility for Shared Services will report progress on the implementation to the Joint Committee. |
|---|---|
| Shared Services Board | The Shared Services Programme Board will continue to provide the overall strategic stewardship of the programme and monitor progress of the programme and related projects. However the membership of it will be extended so that it will include<br>• Directors sharing operational responsibility for the Shared Services<br>• Heads of Shared Service (once appointed)<br>• Programme Manager<br>There will be a nominated chair within the Board, whose role is to agree the board meeting agenda, run the meeting and follow up on any minutes/actions arising. Meetings will continue on a bi-weekly basis as currently using similar reporting processes. |
| Council Management Teams | Established management forums at each council used for input and approval, to which the Directors responsible for Shared services will provide updates on the programme. |
| Customer Forum | The programme will continue to use a joint service and customer group to get input from internal customers in the implementation of the shared services. It is envisaged that as the programme develops this group will also evolve into potentially one that provides feedback and monitors quality of the shared services operations once it is set up.<br>The membership of this forum and how it will work with shared services is |

| | yet to be defined. |
|---|---|
| CSC Working Group | It is proposed that a CSC Working group be set up to work closely with the Revenues & Benefits team to develop the detail of new processes that will impact the CSC and be involved in its implementation.  There may also be some input required from other services where process changes involve the CSC.  The CSC working group will have representatives from both councils' CSCs, the programme team and relevant service representatives from R&B from each council. |
| Management Committee and Staff Forum | It was originally proposed that there be regular consultation and negotiation meetings of shared services management with UNISON and non-union representatives via a Management Committee and Staff Forum.  UNISON have indicated that they are not prepared to negotiate with non-union representatives present, and as there has not been any interest expressed by Watford staff to nominate non-union representatives, these meetings will continue but with non-union representatives  from Three Rivers / Shared Services only. |
| Union / Management Committee | Formal negotiation of local variations to the national terms and conditions will take place between management and UNISON at a separate joint Union / Management Committee. |
| Joint Procurement Support | The Shared Services team will continue to work closely on procurement matters with the procurement leads at both councils. |
| Joint Legal Advice | The Shared Services team will continue to work closely on legal matters with the Legal leads at both councils. |

Members of the Programme Team will also liaise with relevant people from both councils in a number of areas such as HR, Communications, and Accommodation.

# Appendix C: Procurement Strategy

The Shared Services programme will need to procure a number of goods and services to harmonise ways of working and to manage the transition. This section describes the procurement needs of the programme, the underlying principles and assumptions made in the business case and the recommended approach.

## Procurement Needs

The procurement needs of Shared Services can be grouped into 5 areas:

1. **Service applications/software**: Each service will harmonise its systems to enable a common approach described in Section 2.4. This will require procurement of service specific applications and any other software.

2. **Hardware and technical infrastructure:** Shared Services systems will be accessed from multiple office bases. Information networks will also be integrated and Watford's servers relocated as described in Section 2.4.

3. **Goods and Services to support the transition process**: To manage the transition to shared services, councils will need to engage with specialist providers in a number of areas where we do not have sufficient skills or capacity internally. There are also benefits in bringing in independent support which can verify and challenge the programme. These include training, outplacement support, legal and financial advice.

4. **Implementation resources**: Additional resources are required to implement the proposed changes in the timescales set out in the business case, as described in Section 5.3

5. **Service Delivery solutions**: There are two main areas which are within the scope of the Shared Services where there are existing outsourcing arrangements which will need to be considered. It is proposed that any future arrangements apply to both councils.

   - Payroll service provision: Currently Three Rivers outsource the service and the contract is due to expire in Feb 2009.

   - ICT Infrastructure: Currently Three Rivers outsource the provision of the majority of ICT support functions, including infrastructure/networking support. The contract is due to expire in March 2010.

   - In any other areas, e.g. Internal Audit, where there are external contracts there are currently no definite plans to harmonise arrangements and these will be considered by each service once it is established.

**Procurement Principles and assumptions**

The following principles and assumptions form the basis of the procurement strategy for Shared Services:

- All procurement will be in line with agreed contract procedure rules and EU Procurement Legislation.
- Existing local government framework agreements or consortia such as OGC Catalyst will be utilised where the providers are considered to provide value and represent the supply market. This will be part of our supply market evaluation process. This will also save time and comply with our Contract Procedure rules.
- Both the software and the implementation support for service applications will be procured jointly from the same supplier. Based on their prior experience, the Shared Services team considers it more effective to work with a single supplier.
- A fair, transparent and competitive tender process will be used if provision under a consortia framework agreement is not possible or does not provide best value.
- One council will enter into the contract and the costs of service will be shared in line with the distribution of costs agreed in the Joint Committee Agreement. The contracting authority will be determined on a case by case basis with agreement from the Shared Services directors or the Joint Committee as appropriate depending on the level for major procurement such as service delivery and service systems.
- Any major procurement items such as procurement of systems will be approved by the Joint Committee.
- Procurement support and advice will be provided by the Corporate Procurement officers at Watford or Three Rivers and the distribution of this work has already been agreed.
- All tenders will be evaluated and agreed jointly by representatives from both councils against evaluation criteria agreed jointly for each specific requirement.

The Procurement officers at both councils have proposed new contract procedures rules which will align both councils' approaches to procurement. This needs to be approved by Three Rivers to allow shared services to apply the same process to all its procurement activity.

## Procurement Approach

Based on the above principles and assumptions, the procurement approach for all items that will be jointly procured is shown below.

| Procurement item (s) and indicative spend | Procuring authority | Approach |
|---|---|---|
| Managed Payroll service and integrated HR system (£580K over 5 years) | Watford | Tender process in line with OJEU guidelines. The procurement includes the software/service and the implementation. This has been completed and a preferred bidder selected. |
| Financial Management system (£500K+ over 5 years) | Three Rivers | Tender process in line with OJEU guidelines. The procurement includes the software/service and the implementation. |
| Revenues & Benefits system (£500K+ over 5 years) | Three Rivers | Catalyst framework as there is only a limited number of market leaders. The procurement includes the software/service and the implementation. Currently there are 3 (Tribal Consortia expressed an interest) suppliers who have expressed an interest. |
| IT Infrastructure service provision (£500K+ over 5 years) | Watford | Tender process in line with OJEU guidelines. Three Rivers currently has a contract with Steria which ends in Mar10. |
| Radio link (£87K) | Watford | Utilise an OGC framework agreement according to the rules stipulated by EU procurement regulations. |
| Land link (£58K) | Watford | Utilise an OGC framework agreement according to the rules stipulated by EU procurement regulations. |
| Shared Active Directory (£38K) | Watford | Utilise an OGC framework agreement according to the rules stipulated by EU procurement regulations. |
| Security Review (£18K) | Watford | Utilise an OGC framework agreement according to the rules stipulated by EU procurement regulations. |
| Hosting of Watford servers (£140K for 3 year contract) | Watford | Preferred option to host with Herts County Council (procurement process to be confirmed) |
| Implementation resources | Either depending on roles | Resource these internally as secondments or via agencies |
| Specialist advice (Up to £30K) | Either depending on advisors | Utilise an OGC framework agreement according to the rules stipulated by EU procurement regulations. |
| Outplacement support/change training (£40K) | Watford | 3 quotes from suppliers known to both councils. This has been completed and suppliers selected. |
| Other training and communications support (£102K total) | To be confirmed | 3 quotes from suppliers known to both councils where item is less than £50K. If the particular requirement is above £50K, advertise. |
| Support for office moves (£50K but will be divided up) | Watford | 3 quotes from suppliers known to both councils where item is less than £50K. If the particular requirement is above £50K, advertise. WBC has a supplier that could be used. |

# Appendix D: Business Case by Service

The table below apportions out the cashable benefits by service and allocates the implementation costs to each service as it will be reflected in the Shared Services' Service plans.  <span style="color:red">This table will be inserted once financials are confirmed.</span>

# Document Version Control

| Version No | Dated | Status | Comments/Key changes since last version |
|---|---|---|---|
| 0.1 | 12 Nov 2008 | Draft | Issued for comments to Shared services management team without financials. |
| 0.2 | 19 Nov 2008 | Draft | Updated comments from Tricia and metrics table updated in part. Financials have been excluded until the pay and grading information is available. |
| 0.3 | 20 Nov 2008 | Draft | Updated comments from David and feedback on metrics from Heads of Service. Financials excluded. Version to be issued to management teams. |
| 0.4 | 2$^{nd}$ Dec 2008 | Draft | Version without Financials issued to Watford CMB. |
| 0.5 | 5$^{th}$ Dec 2008 | Draft | Version without Financials to be issued to Joint Committee |
| 0.6 | 9$^{th}$ Dec 2008 | Draft | Version without Financials issued to Joint Committee. Incorporating final comments from TRDC management board. |