

THREE RIVERS DISTRICT COUNCIL AND WATFORD BOROUGH COUNCIL

At a meeting of the **Three Rivers and Watford Shared Services Joint Committee** held in the Watford Town Hall, on 28 June 2010 7.30 pm to 9.40 pm

Present: Councillors A Wylie (Chair), B White (Vice-Chair), M Bedford, G Derbyshire, S Johnson and D Sansom

Officers: David Gardner - Director of Corporate Resources and Governance
Alan Power - Head of Finance
Avni Patel - Head of ICT
Terry Baldwin - Head of HR
Bernard Clarke - Head of Strategic Finance
Dot Reynolds - Finance Manager
Sarah Haythorpe - Principal Committee Manager

An apology for absence was received from Councillor Ralph Sangster and Tricia Taylor, Executive Director Resources

Also in attendance Phil Adlard, Head of Revenue and Benefits (Designate)

JSS1/10 **DISCLOSURES OF INTEREST**

None

JSS2/10 **MINUTES**

The Minutes of the meetings of the Joint Shared Services Committee held on 1 March 2010 were confirmed as a correct record and were signed by the Chairman.

JSS3/10 **NOTICE OF OTHER BUSINESS**

No items submitted.

JSS4/10 **PERFORMANCE MANAGEMENT 2009/10**

This report provided information on the performance of the shared services up to 31 March 2010. Members had agreed that the performance management report would highlight achievements in each quarter, actions being taken against targets that were not achieved and budgetary control information.

A presentation was made at the meeting to demonstrate how up to date performance management information could be accessed electronically. This information would be updated weekly for Revenue and Benefits statistics and an

email sent to Members to advise when new data had been posted on the website.

Members raised concern regarding the number of outstanding benefit claims for both Three Rivers and Watford and emphasised the requirement to reduce the number of outstanding claims. Members requested that a review of the resources within the Revenue and Benefits team be completed. Credit was given by the Committee to the Benefits Manager on her efforts to reduce the number of outstanding claims.

In reply to questions/comments the Officers responded as follows:

- (1) on the capital implementation costs the proportions were 69% (Watford) and 31% (Three Rivers). These proportions had been included in the detailed business case as part of the Joint Committee Agreement
- (2) the statement of accounts for shared services did not include the capital expenditure. Implementation costs for shared services are shown in the partner councils accounts and not as part of the operating costs in shared services. A reference to operating expenditure will be included in both councils financial statements as a note to the accounts. With regard to the purchase of assets the Council who purchased the asset would register the purchase on their Asset register and details shown in the Council's balance sheet as an asset.
- (3) the implementation cost heading for Service Away Days would be amended to include training and development.
- (4) the away days for shared services were agreed in the 2009/10 budget but had been transferred to the 2010/11 budget. The purpose of the away days was to provide the new shared services teams with the opportunity to discuss progression and improvements to their service. All the shared services away days would be organised within the £21k budget but it was hoped this cost would be lower. Each shared service would organise their away day as and when they were ready. Staff evaluation forms had been completed following the Human Resources (HR) away day in April which had shown the team found the day to be beneficial. A number of action plans had been developed with an 18 month timetable of where they want to take the HR service.
- (5) the additional spend on transitional employee costs included relocation costs to staff, additional travelling, pay protection for 12 months (which would disappear from November/December this year). With regard to the Finance staffing, Watford was employing some agency staff when the two services transferred to a shared service and these staff had been retained to close the accounts for Watford.
- (6) The 2009/10 revenue and benefits subsidy claim was produced using the Capita data. Using the Capita system should see more reimbursement from the Government but pressure was on the Revenue and Benefits team

to get the claim correct and to ensure proper quality assurance checks were completed.

- (7) Members requested information on performance targets for accuracy of processing, amount of housing benefit overpayments recovered and written off.
- (8) Members welcomed the news that sickness reporting had improved at Watford Council.

ACTION AGREED:-

- (1) that the implementation costs heading for Service Away Days include training and development;
- (2) that information on the Revenue and Benefits performance indicators is provided on the shared services intranet; and
- (3) that the report be noted.

JSS5/10 PERFORMANCE MANAGEMENT 2010/11

This report provided an update on the performance of the shared services in the current year.

The independent review of the ICT platform serving both Councils would look to ensure that the ICT platform was able to accommodate the projects listed in the service plan. There had been concerns recently regarding the infrastructure, the loss of the thin client, the end of Steria contract and the hardware used by both Councils.

It would be very easy to do an easy fix of the ICT system but a full review was required to ensure that the longer term ICT requirements were considered.

There had been concerns by both Councils on the current ICT service. If the Councils were to invest funding in the ICT system, Members needed to ensure the right decisions were made to ensure the system could cope with any problems that could arise in the future.

The tenders to carry out the independent review of the ICT platform would be received by the Council on Friday 9 July. There were resources within both Councils to undertake this review but this would need to be completed out of office hours and at weekends and would impact on the day to day service provided.

Members requested that subject to no objection by Members of the Committee to the tender specification the Director of Corporate Resources and Governance, in consultation with the Chairman and Vice-Chairman of the Committee, be delegated to agree whether the review is undertaken. It was agreed that

equivalent savings must be identified from within the ICT budget to fund the review as both Councils were not in a position to increase budgets.

The Committee were clear that solutions needed to be found to improve the ICT system now and in the future. Having a 3 to 4 year ICT strategy was essential to build up an understanding of what the business requirements will be. Members requested that consideration be given to looking at mobile WIFI and public access to systems in parallel with this exercise.

In response to a question on introducing new budget monitoring arrangements, it was noted that both Councils had different finance management responsibility. In 2009 a finance training module was provided to service heads and cost centre managers but some managers had missed the training.

The Committee noted that the Revenue Manager would be leaving at the end of August.

Arrangements needed to be made to support the new Head of Revenue and Benefit. It was noted that a review was to be carried out of revenue and benefits (with Watford funding the review).

Officers agreed that the requirement for additional resources to assist with the processing of benefit claims would be monitored. The consolidation of the implementation of shared services in revenue and benefits would hopefully improve the service provided.

ACTION AGREED:-

- (1) that the outcome of the tendering process for the review of the ICT platform serving both Councils (including ICT infrastructure, hardware and servers) be reported to the Members of the Joint Shared Services Committee;
- (2) Subject to no objection by Members of the Committee to the tender specification the Director of Corporate Resources and Governance, in consultation with the Chairman and Vice-Chairman of the Committee, be delegated to agree whether the review is undertaken.
- (3) That equivalent savings be identified from within the ICT budget to fund the review.
- (4) That a review was to be carried out of revenue and benefits (with Watford funding the review).
- (5) that the requirement for additional resources to assist with the processing of benefit claims be monitored; and
- (6) that the report be noted.

JSS6/10 **ICT - THIRD PARTY SUPPORT**

This report outlined the proposal for third party support for the finance and revenues and benefits systems in order to alleviate the risk of either key system being unavailable during core hours.

Members noted that the Three Rivers Revenue and Benefits system (Academy) was an Ingres database held on a UNIX server. Previously any support/upgrades to the system were provided by Steria in conjunction with the 3rd party supplier. Upgrades to the live system were currently performed out of hours to minimise the impact on service delivery. Previously, any cost associated with the out of hours upgrades (Steria overtime backed up by Capita consultancy if required) was met by under spends in either the ICT or Revenue and Benefits budgets.

With regard to the new finance system purchase for both Councils, this system was not purchased with the Oracle database support from the supplier and there was no budgetary provision or in house skill to maintain the database or troubleshoot any database related problems.

The Committee were being asked to agree growth in the budgets to provide 40 vouchers for the Revenue and Benefits system and a 3 year ongoing commitment for the Finance system.

Concerns were raised that the Councils had not foreseen these issues arising. It would be difficult in this current climate to justify increasing the budgets at this stage. Savings needed to be identified elsewhere in the budgets to fund this support to these systems.

Members stressed that it was important that support was provided when the Council required support but did not disrupt access to both the systems, especially during the working day. The Council needed to ensure the voucher system was the best way forward for the Council.

ACTION AGREED:

that the Joint Shared Services Committee agrees to third party support for the Revenue and Benefits and Finance systems. The funding for this support be compensated by savings made within the Shared Services budget to be supported sufficiently as below:

Revenue and Benefits – Option 2 for 40 vouchers
Finance – Option 1 for a 3 year ongoing commitment.

JSS7/10 **ANNUAL GOVERNANCE STATEMENT 2009/10**

This report enabled the Committee to agree the Annual Governance statement for inclusion in the Statement of Accounts. The significant governance issues to be addressed by both Councils over the coming year were detailed in Section 5.1 and 5.2 of the report.

In response to a question on why the Council had to have a separate statement of accounts for shared services including the Annual Governance statement and if there was any scope to reduce the costs to audit these statements, Officers advised that discussions were taking place with the Auditors and Audit Commission on the costs. Non compliance with the Code of Practice was not an option as the expenditure of shared services was in excess of £1m.

ACTION AGREED

that the Committee approves the Annual Governance Statement attached at Appendix 1 of the report for inclusion in the Statement of Accounts.

JSS8/10 STATEMENT OF ACCOUNTS 2009/10

This report allowed Members to ask questions about the Joint Committee's statement of Accounts for 2009/10, and recommended their approval.

ACTION AGREED:

- (1) that the Committee notes the accounting policies adopted; and
- (2) that the Statement of Accounts for 2009/10 be approved.

JSS9/10 EXCLUSION OF PRESS AND PUBLIC

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

JSS10/10 ICT STRUCTURE

This report proposed a review of the ICT staff structure, following an assessment by the Head of ICT of current service performance, service capacity and the effectiveness of the current structure.

ACTION AGREED:-

that the Joint Committee supports a review of the ICT staffing structure and that progress be reported back to the Joint Committee in September 2010. Members noted that it is envisaged that any changes recommended would be within the existing ICT budget.

CHAIRMAN