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THREE RIVERS & WATFORD
SHARED SERVICES
JOINT COMMITTEE



AGENDA

Date: 28 June 2010
Time: 7.30 pm
Place: Watford Town Hall

Members of the Committee:-

Councillors:-	A Wylie (Chair)	G Derbyshire
	B White (Vice-Chair)	R Sangster
	M Bedford	S Johnson

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 1 March 2010.

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)).

Item	Page
<p>5 PERFORMANCE MANAGEMENT 2009/10</p> <p>This report provides information on the performance of the shared services up to 31 March 2010.</p>	<p>1 - 72</p>
<p>6 PERFORMANCE MANAGEMENT 2010/11</p> <p>This report provides an update on the performance of the shared services in the current year.</p>	<p>73 - 104</p>
<p>7 ICT - THIRD PARTY SUPPORT</p> <p>This report outlines 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.</p>	<p>105 - 132</p>
<p>8 ANNUAL GOVERNANCE STATEMENT 2009/10</p> <p>This report enables the Committee to agree the Annual Governance Statement for inclusion in the Statement of Accounts.</p>	<p>133 - 140</p>
<p>9 STATEMENT OF ACCOUNTS 2009/10</p> <p>This report allows members to ask questions about the Joint Committee's Statement of Accounts for 2009/10, and recommends their approval.</p>	<p>141 - 164</p>
<p>10 EXCLUSION OF PRESS AND PUBLIC</p> <p>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.</p>	

Part B - Closed to the Public**11 ICT STRUCTURE**

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

12 OTHER BUSINESS

If approved under Item 4.

Members are reminded that meetings of the Joint Committee shall end no later than 10.30pm unless otherwise agreed by the Joint Committee.

For more information concerning this agenda please contact the Secretary to the Joint Committee, Elwyn Wilson, Democratic Services Manager, Three Rivers District Council, Northway, Rickmansworth, Herts, WD3 1RL. Telephone: 01923 727248.

E-mail: elwyn.wilson@threerivers.gov.uk

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Agenda Item 5

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 28 June 2010

PART A

AGENDA ITEM

5

Title: PERFORMANCE MANAGEMENT 2009/10

Report of: Director of Corporate Resources & Governance – Three Rivers D.C.

1. **SUMMARY**

1.1 This report provides information on the performance of the shared services up to 31 March 2010.

2. **RECOMMENDATIONS**

2.1 That the Committee notes this report.

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.

3. **DETAILED PROPOSAL**

3.1 Members have agreed that the Committee will receive reports which will highlight:-

- Achievements in the quarter
- Actions being taken against targets that are not being achieved (i.e. exception reporting), and
- Budgetary control information

3.2 Attached at Appendix 1 is a Monitoring Report to the end of March 2010 (Quarter 4 – 2009/10).

3.3 There will be a presentation at the meeting to demonstrate how up to date performance management information can be accessed electronically.

4. **IMPLICATIONS**

4.1 **Policy**

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

4.2 **Financial**

4.2.1 Contained in the Monitoring Report.

4.3 **Legal Issues** (Monitoring Officer)

4.3.1 None specific to this report.

4.4 **Risk Management and Health & Safety**

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

4.5 **Equalities**

4.5.1 *Relevance Test*

Has a relevance test been completed for Equality Impact? No

There is no proposed change to the shared services.

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

4.6.1 None Specific

Appendices

1 Monitoring Report – Quarter 4 – 2009/10.

Background Papers

No background papers were used in the preparation of this report.



Shared Services – Performance Management

Monitoring Report

Quarter 4 – 2009/10

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IMPLEMENTATION & OVERVIEW – HEADLINES THIS QUARTER

In Quarter 4 of 2009/10:-

- The implementation phase for sharing Human Resources, Finance, ICT and Revenues & Benefits was drawing to a close.
- Staff were successfully relocated. Human Resources and Revenues & Benefits were located in the Annex at Watford Town Hall. ICT and Finance occupied the 1st Floor of the West Wing at Three Rivers House.
- Data from the Civica revenues and benefits system, formerly used by Watford Borough Council, was successfully transferred to the Capita system. The shared service harmonised on this system which went 'live' on 11 February 2010. Billing for Council Tax was successfully completed on the new system.
- Implementation of the new financial management system enabled it to go 'live' on 1 April 2010. Plans were in hand to close the 2009/10 accounts using the legacy systems by the end of June 2010.
- ICT links between Watford, Rickmansworth and Apsley were in place. Shared services were migrated to a new Active Directory and rollout to remaining services was on-going. Transition from the Three Rivers IT Facilities Management contract and TUPE arrangements with Steria were in hand for when the contract expired on 31 March 2010.
- Transition from the Three Rivers IT Facilities Management contract and TUPE arrangements with Steria were progressed and completed. Implementation of a new Helpdesk and call management system was also completed and rolled out.

IMPLEMENTATION & OVERVIEW - SAVINGS – OPERATING COSTS

Code		2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
	Expenditure				
	ICT	1,837,784	1,801,885	1,795,959	(5,926)
	Finance	1,727,777	1,681,080	1,697,872	16,792
	Human Resources	737,088	823,294	844,278	20,984
	Revenues	1,434,442	1,396,117	1,336,256	(59,861)
	Benefits	1,402,374	1,385,103	1,532,621	147,518
	Sub-Total	7,139,465	7,087,479	7,206,987	119,508
	Recharge to Councils				
	Three Rivers District Council	(2,824,546)	(2,796,720)	(2,847,869)	(51,149)
	Watford Borough Council	(4,314,919)	(4,290,759)	(4,359,118)	(68,359)
	Sub-Total	(7,139,465)	(7,087,479)	(7,206,987)	(119,508)
	Total	0	0	0	0

Operating Costs

The Committee is asked to note that there was an overspend in 2009/10 resulting predominantly from the employment of additional benefits assessors to address an increasing workload. The additional costs to the councils have been included in their accounts.

IMPLEMENTATION & OVERVIEW – SAVINGS – IMPLEMENTATION COSTS

		2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
	Revenue Implementation Costs				
	Programme Management	847,312	781,573	608,026	(172,547)
	Change Management	96,557	86,670	93,746	7,076
	Transitional Employee Costs	416,474	377,010	347,903	(29,107)
	Redundancy	258,414	346,115	281,459	(64,656)
	Pension Strain	0	35,000	30,219	(4,781)
	Total	1,618,757	1,626,368	1,361,353	(265,015)
	Recharge to Councils				
	Three Rivers District Council	(501,815)	(504,174)	(422,019)	82,155
	Watford Borough Council	(1,116,942)	(1,122,194)	(939,334)	182,860
	Total	(1,618,757)	(1,626,368)	(1,361,353)	265,015
	Capital Implementation Costs				
	- Systems Implementation	588,914	1,013,618	929,638	(83,980)
	Total	588,914	1,013,618	929,638	(83,980)
	Recharge to Councils				
	Three Rivers District Council	(182,563)	(314,222)	(288,188)	26,034
	Watford Borough Council	(406,351)	(699,396)	(641,450)	57,946
	Total	(588,914)	(1,013,618)	(929,638)	83,980

Implementation Costs

There are still costs to be incurred in respect of implementation. The table below shows both the expenditure and how it is proposed to fund it:-

	2010/11 Expenditure £	2010/11 Original Budget £	2010/11 Change Required £
Revenue Implementation Costs			
ICT			
Programme Management	60,000	15,000	45,000
Finance			
Transitional Employee Costs	275,550	149,170	126,380
HR			
Change Management			
Service Away Days	21,000	0	21,000
Consultancy	5,400	0	5,400
Transitional Employee Costs			
Travelling & Pay Protection	48,000	48,000	0
Redundancy	75,000	0	75,000
Pension Strain	410,050	452,366	(42,316)
Total	895,000	664,536	230,464
Capital Implementation Costs			
- Finance Systems Implementation	52,330	0	52,330
- HR Systems Implementation	6,000	0	6,000
Total	58,330	0	58,330

Members are asked to approve the use of under-spends in 2009/10 to meet the re-phasing of expenditure into 2010/11. £230,464 of the £265,015 under-spend on revenue implementation expenditure, and £58,330 of the £83,980 under-spend on implementation costs will be required for the items above. Additionally, the under-spend will be required to meet the implementation of the harmonised income management system, the cost of which will be reported to the next meeting.

INFORMATION & COMMUNICATION TECHNOLOGY – HEADLINES THIS QUARTER

In Quarter 4 of 2009/10:-

- All Shared Services staff were migrated to the new Active Directory (AD).
- AD migration for non-shared services Watford staff commenced.
- Thin client (TS) testing at Three Rivers was finalised and all Shared Service staff have the ability to work using this method.
- Watford Comms links were moved to Apsley and second phase of DMZ (internet facing servers) move was completed.
- Watford went live with the new Capita Revenues & Benefits system, and release 53 was installed.
- New ICT call logging software (Touchpaper) was launched.
- Incase installation completed to enable TRDC Fraud information to be held on the same system as WBC.

INFORMATION & COMMUNICATION TECHNOLOGY – RESILIENCE

How Resilience will be Achieved	Completed ✓ / x	Progress to Date / Evidence of Completion / Comments
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.	In progress	<ul style="list-style-type: none"> • Infrastructure cross training continues and referral to Steria when gaps in documentation are identified. • Applications analysts continue to train each other on administration of applications for both councils. • Steria transition complete and refresh\update of handover documents is being discussed. • BACS cross training continued.
Both authorities will be connected on a triangulated network to ensure availability and resilience in data traffic	✓	Completed.
The shared ICT service will benefit from accumulated learning and experience from previous projects, applications and infrastructure from the two Authorities.	In progress	This is still ongoing.
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.	✓	Contract ended on 31/03/10, TUPE transfers took place on 1 st April 2010.
Network connectivity allows either of the two council locations to be used for front-line staff in case of an emergency	✓	Complete
Continued alignment and harmonisation of systems and processes will bring further benefits and resilience to both councils.	In progress	<ul style="list-style-type: none"> • Joint project for procurement of an E-petitions system has been approved by management teams of both councils and is now to be approved by Members. • Uniform upgrades are being planned in tandem to maximise resources.

INFORMATION & COMMUNICATION TECHNOLOGY – IMPROVED PERFORMANCE – PERFORMANCE INDICATORS

Reference ICT 1	Resolution of reported incidents							
Indicator Definition	To ensure the service delivers its promises of responding to pre agreed timescales to incidents that are presented.							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					99%	99%	99%	99%
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					100%	100%	100%	100%
Watford					N/A	N/A	N/A	
Comments on Performance: Watford figures are unavailable from the current call logging system. Combined figures from the new system will be reported next year.								

Reference ICT 2	Annual Customer Satisfaction							
Indicator Definition	What is the perception of the service from the end users view point							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					5.65			
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					6.37			
Watford					2.50			
Comments on Performance: Figures for next year will represent satisfaction of staff at each location rather than which Council they are employed by.								

Reference ICT 3	Acquisition cost of workstation							
Indicator Definition	Measures the cost of purchasing the asset and if the ICT team are utilising purchasing processes effectively							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					665	665	665	665
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					564	564	564	564
Watford					520	520	520	520
Comments on Performance:								

Reference ICT 4	Service Availability							
Indicator Definition	To measure the availability of the ICT service to users during core working hours							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					99%	99%	99%	99%
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					99.95%	99.90%	100.00%	100.00%
Watford					N/A	N/A	N/A	N/A
Comments on Performance: Watford figures are unavailable from the current call logging system.								

Reference ICT 5	Cost per connection to voice network							
Indicator Definition	Cost per connection to voice network							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					N/A	N/A	N/A	190
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					N/A	N/A	N/A	N/A
Watford					N/A	N/A	N/A	N/A
Comments on Performance: These figures are made up of the cost per voice connection, plus initial capital costs, plus costs of calls including mobile phones. They are currently unavailable.								

Reference ICT 7	User Satisfaction							
Indicator Definition	To measure the extent to which users are satisfied with the ICT services they receive							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					5.65	5.65	5.65	5.65
Watford					5.65	5.65	5.65	5.65
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					7	7	6	7
Watford					N/A	N/A	N/A	N/A
Comments on Performance: This is based on the customer surveys sent after each call has been fixed. Figures for Watford are unavailable due to the limitations in the current system. The new call logging system will allow for this to be reported from Qtr 1 of 2010/11.								

Reference ICT 8	Project price, time, quality matrix met							
Indicator Definition	Did the service provided by the ICT resource support the customers' goals and objectives? Was the project successful (within time, budget and quality)?							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					100%	100%	100%	100%
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Comments on Performance: This will be reported from 2010/11 with respect to projects identified within the ICT service plan.								

Reference ICT 9	Successful recovery of key services as stated in Emergency Plan							
Indicator Definition	Did the service provided by the ICT resource support the customers' goals and objectives?							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					100%			
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					85%			
Watford					N/A			
Comments on Performance: Watford DR test will be conducted in the next financial year								

ICT – IMPROVED PERFORMANCE – IMPLEMENTING INSPECTION RECOMMENDATIONS					
Three Rivers – Deloitte – Internal Audit – Data Security July 2008					
<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
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.	✓	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.	✓	
Watford – Grant Thornton – External Audit Report 2008/09					
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	✓	May 2010

Data Security

Final report issued July 2008

Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved	Revised deadline
A data assessment and classification exercise should be performed to identify the different data sets and categories held within the Authority. This should then be used to establish a Data Management Policy indicating how data on specific types should be managed and secured.	Important	<p>Position (June 2009): The work is still expected to be completed by the proposed deadline.</p> <p>Position (August 2009): An assessment project has commenced to identify the different data sets held within the authority. Once identified, these data sets will then be classified into levels of sensitivity. The creation of a Data Management Policy will be completed once Shared Services is operational to ensure that a consistent approach is adopted at both Councils.</p> <p>Position (March 2010): Watford BC have an IT security policy that includes data assessment and classification. This is the first policy that is planned to be aligned with Three Rivers – work on this will begin in the next quarter.</p>	Head of ICT	July 2009	x	Sept 2010

IT Legislation

Final report issued July 2009

Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved	Revised deadline
<p>Management should perform a review of the design of all data collection forms used by the Council and confirm that the forms contain an appropriate Data Protection disclosure statement.</p> <p>This statement should explain the purpose for which the data is being collected, whom the data will be shared with and other information that will help to ensure that the individual will be aware of the uses to which their data will be put when providing information to the Council.</p>	Important	<p>Agreed Service Heads are being advised of this requirement and changes to existing forms will be made where necessary by the required deadline.</p> <p>Position (March 2010): A disclaimer will be sent out to Communications and all Heads, to be incorporated onto all new paper and electronic forms.</p> <p>Position (June 2010): This was discussed with the councils Data Protection Officer and Communications manager and suggested wording was sent to both.</p>	Emma Haynes	November 2009	x	May 2010
<p>Management should provide staff with guidance regarding the use of photographic images at the Council to ensure that:</p> <p>Formal consent is obtained for publication of photographs; and Individuals are informed of the purpose for which the photographs may be used.</p> <p>In the event that the purpose for photograph's use changes, further consent should be obtained.</p>	Minor	<p>Agreed Guidelines for the correct use of photographic images have been drafted by the Communications Team and will be included in ICT usage guidelines document once agreed.</p>	Head of ICT	September 2009	x	Sept 2010

Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved	Revised deadline
<p>Management should perform a review of the Information Security policies and procedures to help ensure that these provide adequate guidance to staff regarding the security of data held and processed by the Council. We would encourage the Council to look at the requirements of ISO27001 in guidance for the completion of appropriate security policies.</p>	Important	<p>Agreed The existing IT Security Policy at Three Rivers will be reviewed as part of the Shared Services Implementation with a view to creating a single common policy between TRDC and Watford. Consideration will be given to the requirements of ISO27001 at this time.</p>	Head of ICT	September 2009	x	Sept 2010

Disaster Recovery

Final report issued July 2009

Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
<p>The annual test of the Disaster Recovery Plan should include the following elements:</p> <p>In addition to the restore of the systems, the invocation, escalation, communication and decision making processes should also be included within the scope of the test;</p> <p>Issues encountered and any actions to taken to resolve the issue should be recorded in a formal issues log and if required, changes should be made to the DRP following a lessons learnt exercise;</p> <p>The time constraints for the DR testing should be established in such a manner that the business and ICT can gain assurances that their systems can be restored within the agreed timeframes as stated within the BCP.</p> <p>Senior Management should be updated with the overall results of the test including the scope of the testing, issues encountered and any corrective actions taken to resolve each issue.</p>	Important	<p>Agreed The Disaster Recovery Test is in the process of being booked for January 2010.</p> <p>Position (March 2010): DR Test complete with audit recommendations in mind. This will be reviewed and amended following the meeting with DR supplier and Risk Manager Will be scheduled in the next quarter.</p> <p>Position (June 2010): This is on track to be completed by the end of June 2010.</p>	Emma Haynes	January 2010	✓	June 2010

INFORMATION & COMMUNICATION TECHNOLOGY – IMPROVED PERFORMANCE – RISK MANAGEMENT						
Risk No	Description	Latest Position	Impact Assessment		Likelihood Assessment	
			Original	Latest	Original	Latest
ICT1	Loss of Accommodation	Loss of accommodation would result in high impact but the likelihood of this is low and this has not happened in recent years	III	III	D	F
ICT2	Insufficient Staff	No change	III	III	D	D
ICT3	Contractor or systems failure – main ICT systems, suppliers and FM contractor	No change	II	II	D	D
ICT4	Non-compliance with Data Protection Act and Freedom of Information Act	No change	II	II	D	D
ICT5	Failure to deliver the ICT Capital Programme	No change	III	III	C	D
ICT6	Loss of portable storage device containing sensitive data	No change	III	III	D	D
ICT7	Virus introduced to the network via storage device	No change	II	II	F	F
ICT8	Software being removed from the corporate network	No change	II	II	E	E
ICT9	Sensitive e-mail being lost in e-mail / post system	No change	III	III	E	E
ICT10	Disaster in Computer Centre	No change	V	V	E	E
ICT11	Power Outage longer than 1 hour	No change	III	III	C	C
ICT12	Sickness of 50% of staff	No change	III	III	F	F
ICT13	Loss of key staff or expertise	No change	II	II	B	B
ICT14	Day to day service delivery disrupted during implementation	There is increased risk of this due to currently vacancies and staffing issues but the carry forward of implementation budget should allow us to recruit or backfill to complete the remainder of the implementations	I	III	B	C
ICT15	Slow / unreliable network	No change	III	III	F	F

	communication between TRDC and WBC					
ICT16	Unsuccessful management of IT implementations	No change	II		E	

INFORMATION & COMMUNICATION TECHNOLOGY – OPERATING COSTS

Code		2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
	Shared Services Operating Costs				
	Employees	988,239	1,012,664	954,613	(58,051)
	Premises	0	0	1,418	1,418
	Transport	7,656	2,870	1,003	(1,867)
	Supplies & Services	372,019	430,225	367,170	(63,055)
	Contracted & Agency Services	469,870	392,370	471,755	79,385
	Income	0	-36,244	0	36,244
	Sub-Total	1,837,784	1,801,885	1,795,959	5,926
	Recharge to Councils				
	Three Rivers District Council	(735,114)	(720,754)	(718,384)	(2,370)
	Watford Borough Council	(1,102,670)	(1,081,131)	(1,077,575)	(3,556)
	Sub-Total	(1,837,784)	(1,801,885)	(1,795,959)	(5,926)
	Total	0	0	0	0

INFORMATION & COMMUNICATION TECHNOLOGY – IMPLEMENTATION COSTS

		2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
1	Revenue Implementation Costs				
	- Programme Management	115,590	142,150	92,008	(50,142)
	- Change Management	28,005	0	0	0
	Total	143,595	142,150	92,008	(50,142)
2	Capital Implementation Costs				
	- Systems Implementation	0	81,192	82,436	1,244
	Total	0	81,192	82,436	1,244

EXPLANATION OF VARIANCES

Implementation Costs

The variances in the ICT implementation budget are due to resource under spend. This was deliberate since the implementation phases of the HR, Finance and Revenues & Benefits systems are not fully concluded. All of these will require additional technical resource. Hence when the contract for the ICT Project co-ordinator was stopped, the position was not filled in order to save capacity for this year – 2010/11.

The Programme management budget for 2010/11 was originally set in February 2010 at £15,000 for 2010/11. By re-phasing £45,000 from 2009/10 this will give a total budget of £60,000.

FINANCE – HEADLINES THIS QUARTER

In Quarter 4 of 2009/10:-

Internal Audit

Agreement was reached with Deloitte Touché (contracted with Three Rivers) to carry out 2009/10 internal audits for Watford thus avoiding duplication, improving internal efficiencies and meeting external audit requirements more effectively.

Obtained day rates from a range of providers for bought in services for 2010/11.

Anti-Fraud and Corruption Strategy / Whistle-blowing has been examined, rewritten and approved by Watford Audit Committee on 13 January 2010 and the Three Rivers Audit Committee on 31 March 2010.

Planning for the 2010/11 audits including discussions with relevant Heads of Service for both Watford and Three Rivers was completed and reported to the Watford Audit Committee on 17 March 2010 and Three Rivers on 31 March 2010.

Internal Audit terms of reference (role and responsibilities) were reported to Watford Audit Committee on 17 March 2010 and Three Rivers on 31 March 2010.

Internal Audit relocated to Rickmansworth at the end of March and was coordinated by the Facilities Teams at both Councils.

The Audit Manager implemented a procedure for reporting outstanding recommendations to Watford Audit Committee.

Fraud

Evaluation of both Councils' respective Fraud systems was completed and the chosen option was implemented.

Ant-Fraud and Corruption Strategy / Whistle-blowing was examined, rewritten and approved by Watford Audit Committee on 13 January 2010 and the Three Rivers Audit Committee on 31 March 2010. Training sessions were planned for staff in both Councils.

Accountancy

International Financial Reporting Standards – progress continued to be made. Following the Impact Assessment, a project plan was devised and resources allocated to achieve the milestones. Liaison continued with Grant Thornton, the external auditors, and progress reports were made to both Audit Committees.

External Audit –arrangements were made for both Councils interim audit visits in March 2010. The interim visits looked at:

- documenting key financial systems
- performing walkthroughs of the systems
- carrying out the use of resource assessment

Work continued on the closing programmes for the 2009/10 accounts and the production of the Financial Statements.

Financial Management System –

Finance Managers wrote and tested interfaces

Chart of Accounts was completed and comprehensive code conversion code for Watford finalised in readiness for loading transactions from existing FMSs to COA (the new FMS)

Fixed Assets - work progressing, opening Balance Sheet loaded and reconciled for Watford

User Acceptance Testing for Account Payable and Accounts Receivable progressed well, general ledger UAT was completed

Training dates for Accounts Payable and Accounts Receivable were agreed and implemented

Financial Management System implemented (with snagging issues outstanding)

All transactions from Civica Radius (Three Rivers) and Aptos (Watford) were successfully loaded, balanced and reconciled on the new FMs

Closing of Accounts Timetable produced and agreed. User Guidance produced and training session provided.

Accountancy went into the Shared Service arrangement with 5.5 vacant posts (30% of the establishment). Advertisements were published in mid-January. Following the closing date, applicants were shortlisted. Interviews were completed for three Senior Accountants', a Treasury and Technical assistant and part-time Insurance Officer. In all cases job offers were made and accepted.

The opportunity was taken to carry out an early review of income management.

FINANCE – RESILIENCE

How Resilience will be Achieved	Completed ✓ / x	Progress to Date / Evidence of Completion / Comments
Intensive training to address limited VAT expertise	Ongoing	This will progress following the completion of the recruitment process. Position June 2010 – Senior Accountant attending specialist four day residential course on VAT in Local Government in September 2010. Finance Manager and Senior Accountant attend LA VAT Forum.
Vacancies, Long-Term Absences and Holiday periods are closely managed	✓	Long term vacancies have been resolved following a successful recruitment campaign.
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	✓	<p>Evidence of success will be that the following critical tasks will be completed satisfactorily within timescales:</p> <ul style="list-style-type: none"> • Budget estimates, budget setting, monitoring and forecasting • Closing accounts, preparations and publication of Financial Statements • Implementation of Financial Management System • Streamlined management of external audit process <p>It is expected that staff rotation will commence before Autumn 2010</p>
Senior Accountancy Assistant and Accountancy Assistant will cover both Accounts Payable and Income when required	Ongoing	This will progress following the completion of the recruitment process. Position June 2010 – Senior Accountancy Assistants are currently training on Income and Bank Reconciliations. They are trained on Accounts Payable but need more specific knowledge on the COA system.

How Resilience will be Achieved	Completed ✓ / x	Progress to Date / Evidence of Completion / Comments
Specialist skill areas such as Insurance and Treasury, shadowing will occur to widen and strengthen the knowledge base.	Ongoing	This will progress following the completion of the recruitment process. We have successfully recruited to the part-time Insurance Officer post and local government training is underway.
Internal Audit and Fraud Teams operating with flat structures	✓	Evidence of success will be that the following critical tasks will be completed satisfactorily within timescales: <ul style="list-style-type: none"> • Strategic Internal Audit planning • Continuous internal audit • One internal audit team with the flexibility to buy in specialist resources • Common systems, procedures and harmonisation
Harmonisation of Procedures	Ongoing	Evidence of success will be that the following critical tasks will be completed satisfactorily within timescales: <ul style="list-style-type: none"> • Common financial procedures will be necessary for efficient use of resources • Review of accounting policies and procedures

FINANCE – IMPROVED PERFORMANCE – PERFORMANCE INDICATORS

Reference	FN01									
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				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
TRDC	-	-	-	-	Achieve	-	-	-	-	Achieve
Watford	-	-	-	-	Achieve	-	-	-	-	Achieve
Outcome	2008/09					2009/10				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
TRDC	-	-	-	-	Achieved	-	-	-	-	Achieved
Watford	-	-	-	-	Achieved	-	-	-	-	Achieved
<p>Comments on Performance This Indicator is best reported on an annual basis – the timetable was agreed for 2009/10 prior to the commencement of the year. During the later part of 2009/10 the budget monitoring and budget setting timetable was agreed for 2010/11.</p>										

Reference	FN04									
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				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
TRDC	-	-	-	-	Achieve	-	-	-	-	Achieve
Watford	-	-	-	-	Achieve	-	-	-	-	Achieve
Outcome	2008/09					2009/10				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
TRDC	-	-	-	-	Achieved	-	-	-	-	Achieved
Watford	-	-	-	-	Achieved	-	-	-	-	Achieved
<p>Comments on Performance This Indicator is best reported on an annual basis. In 2008/09 and 2009/10 the Statement of Accounts was presented to Audit Committees by 30 June in respective years and unqualified opinion was received from the external auditor and reported to the Audit Committees before 30 September.</p>										

Reference	FN04									
Indicator Definition	Use of resources – Level 3 for <i>Managing Finances</i>									
Target	2008/09					2009/10				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
TRDC	-	-	-	-	Level 3	-	-	-	-	Level 3
Watford	-	-	-	-	Level 3	-	-	-	-	Level 3
Outcome	2008/09					2009/10				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
TRDC	-	-	-	-	Level 3	-	-	-	-	n/a
Watford	-	-	-	-	Level 3	-	-	-	-	n/a
Comments on Performance The Audit Commission has announced that the Use of Resources assessments will not now be published. Future assessments have been abandoned.										

Reference	FN06 & FN07							
Indicator Definition	Percentage User Satisfaction with Financial Services							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	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%
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	N/A	N/A	N/A		N/A	N/A	N/A	86%
Watford	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comments on Performance To be developed – will need to implement separate surveys for audit, fraud and finance. Benchmarking clubs include customer satisfaction surveys on an annual basis. The first opportunity to conduct this on the shared services operation will be during the autumn on 2010.								

Reference	FN08							
Indicator Definition	Average investment interest rate to be no less than 0.12% different from average base rate.							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC				3.66				0.62
Watford	5.12	4.62		3.66				0.62
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC				4.59				1.46
Watford	5.50	5.71		5.14				2.00
<p>Comments on Performance Figures shown in Quarter 4 are for the whole of the financial year.</p>								

Reference	FN09							
Indicator Definition	Percentage of undisputed invoices paid within 30 days (Formerly BV8)							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	N/A	N/A	N/A	99%	N/A	N/A	N/A	99%
Watford	100	100	100	100	100	100	100	100
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	99.23	98.85	99.23	98.82	98.85	95.53	96.54	96.83
Watford	95.20	96.38	94.55	94.79	96.69	93.89	93.01	92.22
<p>Comments on Performance Finance champion this performance indicator and is reliant upon all services to actively engage and support.</p>								

Reference	FN09							
Indicator Definition	Percentage of invoices paid by BACS (currently reported by Watford only)							
Target	2008/09				2009/10			
	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
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Watford	Not Available	Not Available	Not Available	Not Available	Not Available	62	53	62
Comments on Performance Finance champion this performance indicator and is reliant upon all services to actively engage and support.								

Reference	FN09							
Indicator Definition	Percentage of all purchasing conducted electronically measured by emailed orders							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford				0				0
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Watford	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Comments on Performance Finance champion this performance indicator and is reliant upon all services to actively engage and support. The new COA system was introduced for 2010/11 and produces electronic files to spending departments. Users have the choice to print and post or e-mail orders but software does not record these actions. Finance will continue to show users the advantages of electronic procurement. The performance indicator will be deleted.								

Reference	FN10									
Indicator Definition	Internal Audit - achieve 90% of planned work									
Target	2008/09					2009/10				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
TRDC	-	-	-	-		-	-	-	-	
Watford	-	-	-	-		-	-	-	-	
Outcome	2008/09					2009/10				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
TRDC	-	-	-	-		-	-	-	-	
Watford	-	-	-	-	90.05%	-	-	-	-	94.50%
<p>Comments on Performance</p> <p>This indicator is best reported on an annual basis. The table above includes the results for Watford. Internal Audit for Three Rivers was provided by Deloitte and Touche and all agreed audits were completed. In 2010/11 the service is entirely resourced in-house and the target agreed for planned work compared with total available audit days is 92%.</p>										

Reference	F11							
Indicator Definition	Anti Fraud – Number of Investigations							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								124
Watford								186
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								220
Watford								253
<p>Comments on Performance</p> <p>During the whole of 2009/10 the fraud team was under unified management arrangements.</p>								

Reference	FN11							
Indicator Definition	Anti Fraud – Number of Investigators							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
<p>Comments on Performance</p> <p>During the whole of 2009/10 the fraud team was under unified management arrangements. The section was staffed at establishment of one Manager and five Senior Investigators.</p>								

Reference	FN11							
Indicator Definition	Anti Fraud – Number of Sanctions							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								23
Watford								35
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								24
Watford								40
<p>Comments on Performance</p> <p>During the whole of 2009/10 the fraud team was under unified management arrangements.</p>								

FINANCE – IMPROVED PERFORMANCE – IMPLEMENTING INSPECTION RECOMMENDATIONS

Action	Priority	Responsibility	Action to Date	Resolved	(Original) Implementation Date
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Watford - Annual Governance Report – Grant Thornton –September 2008

Full review of all leases	Medium	Interim Head of Finance	Work stream allocated review has commenced. This has been completed as part of the project to implement the effects of International Reporting Standards	✓	March 2009
Salaries charged to Capital	Medium	Strategic Finance Accountant	To be incorporated into 09/10 support service allocation process - Implemented	✓	March 2009
Fixed Asset Register	High	Interim Head of Finance	Produce spreadsheet as interim solution pending implementation of new FMS - Completed	✓	March 2009
Recommend Process to review Shared Ownership dwellings	High	Interim Head of Finance	Review system for revaluations - Implemented	✓	March 2009
Journal Authorisation	Low	Interim Head of Finance	Review system for authorisation of on-line journals. Implemented as part of the internal rules on the new COA FMS.	✓	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

FINANCE – IMPROVED PERFORMANCE – RISK MANAGEMENT						
Risk No	Description	Latest Position	Impact Assessment		Likelihood Assessment	
			Original	Latest	Original	Latest
FIN 1	Staff resistance to change	Risk managed and now closed	II	Closed	E	Closed
FIN 2	Staffing continuity	Risk managed and now closed	III	Closed	E	Closed
FIN 3	Insufficient staff to deal with workload	Risk managed and now closed	III	Closed	E	Closed
FIN 4	Shared services doesn't go live	Risk managed and now closed	III	Closed	F	Closed
FIN 5	Terms & conditions and location adversely affect staff retention	Risk managed and now closed	II	Closed	E	Closed
FIN 6	Job evaluation adversely affects staff retention	Risk managed and now closed	III	Closed	C	Closed
FIN 7	Cannot recruit to Assistant Finance Manager by implementation day	Risk managed and now closed	IV	Closed	C	Closed
FIN 8	IT communications insufficient	Risk managed and now closed	III	Closed	F	Closed
FIN 9	Decision making time consuming – directors and committee	Risk managed and now closed	I	Closed	F	Closed
FIN 10	Unable to keep temporarily retained staff	Risk managed and now closed	II	Closed	E	Closed
FIN 11	Resistance from transitional staff – deliberate damage	Risk managed and now closed	III	Closed	E	Closed
FIN 12	Loss of VAT expertise	Risk managed and now closed	III	Closed	D	Closed
FIN 13	Cannot align policies or procedures	Risk managed and now closed	I	Closed	F	Closed
FIN 14	Resistance to change by service managers	Risk managed and now closed	I	Closed	F	Closed
FIN 15	Wrong establishment	Risk managed and now closed	II	Closed	E	Closed

Risk No	Description	Latest Position	Impact Assessment		Likelihood Assessment	
			Original	Latest	Original	Latest
FIN 16	Delay implementing IT	Risk managed and now closed	I	Closed	F	Closed
FIN 17	Fail to close 08/09 on time coupled with conflicting priorities of two councils	Risk managed and now closed	IV	Closed	E	Closed
FIN 18	UoR for finance related areas – levels fall	Risk managed and now closed	III	Closed	B	Closed
FIN 19	Intransigence – poor relationships with S151 officers	Risk managed and now closed	II	Closed	F	Closed
FIN 20	Over-management by client councils	Risk managed and now closed	II	Closed	F	Closed
FIN 21	Scope/volumes of work increases but no additional resources	Risk managed and now closed	III	Closed	D	Closed
FIN 22	SS takes on aged workforce and key officers need replacing in early years	Risk managed and now closed	III	Closed	A	Closed
FIN 23	Unable to retain expertise for 24 months (+ 09/10 closing period) [two WB IT staff]	Risk managed and now closed	III	Closed	E	Closed
FIN 24	Skewed demands from S151 officers	Risk managed and now closed	II	Closed	F	Closed
FIN 25	Additional partners during first two-three years	Risk managed and now closed	I	Closed	E	Closed
FIN 26	Training requirements for P/Q staff	Risk managed and now closed	II	Closed	E	Closed

FINANCE – OPERATING COSTS

Code		2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
	Shared Services Operating Costs				
	Employees	1,426,375	1,367,400	1,367,391	(9)
	Transport	19,772	20,670	14,570	(6,100)
	Supplies & Services	159,130	223,510	260,196	36,686
	Contracted & Agency Services	122,500	69,500	69,861	361
	Income	0	0	(14,146)	(14,146)
	Sub-Total	1,727,777	1,681,080	1,697,872	16,792
	Recharge to Councils				
	Three Rivers District Council	691,111	672,432	679,149	(6,717)
	Watford Borough Council	1,036,666	1,008,648	1,018,723	(10,075)
	Sub-Total	1,727,777	1,681,080	1,697,872	(16,792)
	Total	0	0	0	0

FINANCE – IMPLEMENTATION COSTS

		2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
1	Revenue Implementation Costs				
	- Programme Management	220,230	204,430	133,698	(70,732)
	- Transitional Employee Costs	358,010	358,010	330,350	(27,660)
	Total	578,240	562,440	464,048	(98,392)
2	Capital Implementation Costs				
	- Hardware and Connectivity	309,650	302,050	252,457	(49,593)
	Total	309,650	302,050	252,457	(49,593)

EXPLANATION OF VARIANCES

Operating Costs

Following co-location of accountancy staff in October 2009 there was a need to continue arrangements with further temporary staff to cover for vacancies of 30% in establishment and to ensure that adequate cover and control existed over critical functions such as bank and income reconciliations.

HUMAN RESOURCES – HEADLINES THIS QUARTER

In Quarter 4 of 2009/10:-

- Customer service and communication with Northgate was improved
- All appeals for roles in Shared Services were completed with the exception of one role in revenues and benefits (since resolved)
- Inductions days were held in both councils for staff to introduce them to their 'new' council
- The vacant HR Manager role was filled
- Third party payments were taken over by Northgate, so there is no longer a manual intervention required

HUMAN RESOURCES – RESILIENCE

How Resilience will be Achieved	Completed ✓ / x	Progress to Date / Evidence of Completion / Comments
Multi-skilled first line enquiry service to provide cover throughout operating hours.	✓	HR staff provide a service from 8.00 am until 5.30 pm although for Three Rivers this may be via telephone or email at certain times. The two HR Advisers have undergone significant training and development so that they are able to provide a service to either Council and are not limited to one Council each.
Transfer of common transactions to a self-service model using an integrated HR system that staff and manager can access.	Ongoing	The first stage of ResourceLink involving access to online pay slip and personal details has been completed. The basic development required for the Learning and Development module has been completed. On line expense claims have been launched. The next module is on line annual leave booking and then Manager self service. The final module will be on line appraisals, which will be implemented ready for on-line appraisal to go live in 2011.
HR Business Partners to provide support across both Councils	✓	The HR Business partner job description has been agreed and the HR BP team selected. Cross training has taken place and integration of the HR Business Partner to the “new” Council has been completed. HR Business Partners from Watford have attended Departmental Team Meetings in Three Rivers (and vice versa for Three Rivers HR Business Partners) and are now actively involved in supporting managers with advice and guidance for either Council.

HUMAN RESOURCES – IMPROVED PERFORMANCE – PERFORMANCE INDICATORS

Reference	Working days lost to sickness per FTE (in shared HR service)							
Indicator Definition								
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Comments on Performance: Not recorded in 2008/09 or 2009/10								

Reference	Working days lost to sickness per FTE employee							
Indicator Definition								
Target	2008/09				2009/10			
	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
Watford				11.5	2.13	4.25	6.38	8.50
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC				6.95				7.90
Watford				9.80	2.00	4.54	6.46	8.50
Comments on Performance:								

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

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			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Comments on Performance Not recorded until start of shared HR Service. First full year will be 2010/11.								

Reference	Ratio of HR (FTE) per employee (headcount)							
Indicator Definition								
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					1:129	1:129	1:95	1:61
Watford					1:37	1:38	1:76	1:61
<p>Comments on Performance: The ratio for Three Rivers for 2009/10 is somewhat misleading. The role of Head of HR is deemed a Watford employee and therefore appears on the Watford headcount for the first 3 quarters of 2009/10. Learning and Development was being provided by Watford BC during this period also as the L&D role in Three Rivers was vacant. Therefore the most accurate figure to use is that for quarter 4 which looks at the ration of HR staff across both councils. The HR team is now in situation and serving both councils. The ration of HR staff to employees in Watford has increased to a more healthy standard as a result. The figures are slightly higher in q4 than q3 2009/10 as there is an agreement to fund a HR Business Partner to undertake the Harmonisation project. There is therefore additional resource within the team for this project, which will continue until March 2011. As much of the additional cost as possible will be absorbed within the existing HR budget.</p>								

Reference	% of staff receiving annual appraisal (of those eligible to do so) within target timescale							
Indicator Definition								
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC				100%				100%
Watford				100%				100%
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC				61.4%				8.26%
Watford				81.5%				90.19%
<p>Comments on Performance: Appraisal completion in 2009 was not high throughout Shared services and Watford due to restructures and the implementation of shared services. This has been documented previously. The appraisal cycles in Watford and Three Rivers differ. Watford has completed the 2009/10 cycle and the completion rate quoted of 90.19% relates to returns as at May 2010. Three Rivers has a different reporting cycle and appraisals are not due to be completed until 31 July.</p>								

HUMAN RESOURCES – IMPROVED PERFORMANCE – IMPLEMENTING INSPECTION RECOMMENDATIONS

<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
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	Watford IIP re-assessment taking place in June 2010. An action plan for Three Rivers was presented to Management Board and is being followed through by Organisational Development.	✓	June 2010 Watford On-going for TRDC
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	Health check achieved in November 2009 for Three Rivers HR. The assessor referred to a further visit in 12 months to review the HR operation as part of a shared service.	Yes	November 2010

HUMAN RESOURCES – IMPROVED PERFORMANCE – RISK MANAGEMENT

Risk No	Description	Latest Position	Impact Assessment		Likelihood Assessment	
			Original	Latest	Original	Latest
HR1	Loss of Accommodation	Accommodation confirmed at Watford Town Hall, New Annex.	III	III	D	F
HR2	Insufficient Staff	HR team fully staffed	III	III	D	E
HR3	Failure of ICT systems	IT systems are operating, however, there is still a requirement for Active Directory to ensure effective use of system, with only one calendar/e-mail for shared service employees.	II	II	D	D

HUMAN RESOURCES – OPERATING COSTS

Code		2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
	Shared Services Operating Costs				
	Employees	636,078	723,024	750,430	27,406
	Transport	8,970	5,000	3,555	(1,445)
	Supplies & Services	21,620	30,775	24,571	(6,204)
	Contracted & Agency Services	95,000	81,000	86,336	5,336
	Income	(24,580)	(16,505)	(20,614)	(4,109)
	Sub-Total	737,088	823,294	844,278	20,984
	Recharge to Councils				
	Three Rivers District Council	(235,868)	(263,454)	(270,169)	(6,715)
	Watford Borough Council	(501,220)	(559,840)	(574,109)	(14,269)
	Sub-Total	(737,088)	(823,294)	(844,278)	(20,984)
	Total	0	0	0	0

HUMAN RESOURCES – IMPLEMENTATION COSTS

		2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
1	Revenue Implementation Costs				
	- Programme Management	312,546	274,026	211,834	(62,192)
	- Change Management	68,553	86,670	93,746	7,076
	- Transitional Employee Costs	58,464	19,000	17,553	(1,447)
	- Redundancy	258,414	346,115	281,459	(64,656)
	- Pension Strain	0	35,000	30,219	(4,781)
	Total	697,977	760,811	634,811	(126,000)
2	Capital Implementation Costs				
	- Hardware and Connectivity	0	120,940	80,913	(40,027)
	Total	0	120,940	80,913	(40,027)

EXPLANATION OF VARIANCES

Operational Costs

There was an overspend on employee costs. This resulted from having to retain payroll staff a little longer than was anticipated prior to Northgate taking over the function.

Implementation Costs

There are still costs to be incurred in respect of implementation. The table below shows both the expenditure and how it is proposed to fund it:-

	2010/11 Expenditure £	2010/11 Original Budget £	2010/11 Change Required £
Revenue Implementation Costs			
Programme Management	0	0	0
Change Management			
Service Away Days	21,000	0	21,000
Consultancy	5,400	0	5,400
Transitional Employee Costs			
Travelling & Pay Protection	48,000	48,000	0
Redundancy	75,000	0	75,000
Pension Strain	410,050	452,366	(42,316)
Total	559,450	500,366	59,084
Capital Implementation Costs			
- Hardware and Connectivity	6,000	0	6,000
Total	6,000	0	6,000

Members are asked to approve the use of under-spends in 2009/10 to meet the re-phasing of expenditure into 2010/11.

REVENUES AND BENEFITS – HEADLINES THIS QUARTER

In Quarter 4 of 2009/10:-

- The Capita system became operational and staff commenced working on one common system.
- Council Tax billing was successfully achieved on time for both councils using the new system.
- Staff tackled a backlog of benefits work as caseload increased due to the recession

REVENUES & BENEFITS – RESILIENCE

How Resilience will be Achieved	Completed ✓ / x	Progress to Date / Evidence of Completion / Comments
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.	Ongoing	The team has co-located in the Annex at Watford Town Hall. Staff have been trained on the new Academy Revenues & Benefits system.
The multi-skilling approach will also provide flexibility to reallocate workload and provide cover during holiday periods and sickness absence.	Ongoing	
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.	Ongoing	
Flexible and remote/mobile work practices are likely to be easier to introduce with a larger sized team.	In progress	We now have two benefit officers who are 'mobile' and are visiting new claimants at home. We are currently recruiting to two benefit officer vacancies and one of these appointments will be as a third mobile benefits officer.
Greater cover should enable leave and training to be scheduled more easily without detriment to the service.	Ongoing	
There will be a greater resource to meet changes.	Ongoing	
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.	Ongoing	The first step in this is to ensure that billing and NNDR officers are confident using the Academy system.
Quality and training officers will predominantly be working on benefits but will have exposure to revenues work also.	Ongoing	We have three officers in this role and for the first will be able to introduce a structured quality checking regime.

<p>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.</p>	<p>Ongoing</p>	
<p>Recovery staff will deal with a diversity of collection – council tax, NNDR and housing benefit overpayments.</p>	<p>Ongoing</p>	

REVENUES & BENEFITS – PERFORMANCE INDICATORS

Reference	NI 180							
Indicator Definition	Changes in Housing Benefit/Council Tax Benefit new claims and change events							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford					3,250	3,250	3,250	3,250
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford				13,831	10,117			
Comments on Performance New Indicator for 2009/10								

Reference	NI 181							
Indicator Definition	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					30 days	30 days	30 days	30 days
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC					30.09 days	33.76 days	41.72 days	
Watford								
Comments on Performance New indicator for 2009/10.								

Reference	RB 1							
Indicator Definition	The percentage of council tax collected							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	29.87%	57.90%		98.70%	29.87%	57.90%		98.70%
Watford	27.00%	54.75%	82.50%	97.00%	27.00%	53.00%	80.00%	97.00%
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	29.70%	58.08%			29.70%	60.03%	86.40%	97.90%
Watford	27.63%			96.50%	27.40%	54.70%	81.70%	96.69%
Comments on Performance								
Whilst the outcome for 2009/10 is below target, collection rates have held up well in light of the recession.								

Reference	RB 2							
Indicator Definition	The percentage of NNDR collected							
Target	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	37.89%	63.48%			37.89%	63.48%		
Watford	31.50%	60.00%	88.00%	99.85%	30.50%	61.50%	89.50%	99.80%
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	34.90%	61.72%			35.20%	61.30%	86.50%	96.80%
Watford	30.55%			97.80%	30.50%	58.50%	87.20%	95.90%
Comments on Performance								
The reduction in collection rates for 2009/10 are not just due to the recession but result also from the government's payment deferral scheme.								

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				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
TRDC	20.00 days	20.00 days	20.00 days	20.00 days	20.00 days	18.00 days	18.00 days	18.00 days	18.00 days	18.00 days
Watford	30.00 days	30.00 days	27.00 days	27.00 days	28.50 days	28.00 days	28.00 days	28.00 days	28.00 days	28.00 days
Outcome	2008/09					2009/10				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Year
TRDC	13.93 days	15.75 days	days	days	days	19.32 days	16.96 days	24.91 days	28.13 days	19.62 days
Watford	28.50 days	days	days	days	days	47.80 days	60.90 days	days	days	days
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			
	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	6.2	6.2	6.2	6.2
Watford	11	7.25	7.0	7	8	8	8	8
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	8.13	7.95						
Watford	10.08			16.3 days	24.2 days	31.4 days		43 days
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			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
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			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Comments on Performance								

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			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
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			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
Watford								
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC								
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			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Watford	65.00%	65.00%	65.00%	65.00%	67.00%	67.00%	67.00%	67.00%
Outcome	2008/09				2009/10			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Watford	64.28%			66.07%	64.60%	66.00%	69.00%	
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								

REVENUES & BENEFITS – IMPROVED PERFORMANCE – IMPLEMENTING INSPECTION RECOMMENDATIONS

Three Rivers - Internal Audit report on Debtors - issued April 2008					
<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
The Council's Sundry Debtor Procedures should be subject to timely review.	Medium	Revenues Manager	<p>Position (March 2009): we have some written procedures for Sundry Debts which need updating. The Sundry Debtors function forms part of the Revenues and Benefits Shared Service project with Watford Borough Council, which goes live in November 2009. The sundry debtors function uses the Financial Management System (FMS) which is being replaced by both councils in March 2010. With this in mind, we will be adopting new processes when the system goes live next year, and standardising our procedures across this area. We will aim to update the key procedures that we have in place by September 2009, but these will need further revision as the new FMS is implemented.</p> <p>Position November 2009 We have not been able to update our existing written procedures to date, as existing resource has been occupied with the Revenues and Benefits Shared Services project. We will be reviewing the way that we work in Sundry Debtors and mapping and documenting new processes once the new FMS goes live.</p> <p>Position (March 2010) Unchanged.</p> <p>Position (June 2010) Unchanged</p>	x	30 Sep 2008 31 Dec 2008 30 Sep 2009 30 June 2010

Watford - Internal Audit report on Benefits Administration (Watford)					
<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
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					
<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
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 Senior Management Accountant	Agreed. 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. 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	High	Senior Management Accountant	This will be worked on by the Senior Management Accountant, in liaison with the Performance & Training Manager.		March 2008

Watford - Internal Audit report on Benefits Subsidy Claim					
<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
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.					
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					
<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
<p>The Court Officer should draw up procedure notes for:</p> <p>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.</p> <p>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.</p> <p>Process followed by him when cheques are received from the bailiff's.</p> <p>All procedure notes should be reviewed on an annual basis and dated when the review has been carried out.</p>	High				

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

REVENUES & BENEFITS – IMPROVED PERFORMANCE – RISK MANAGEMENT						
Risk No	Description	Latest Position	Impact Assessment		Likelihood Assessment	
			Original	Latest	Original	Latest
RB1	Insufficient staff	Temporary staff have been taken on to tackle the backlog of benefits work. Agency staff have been relatively easy to engage. No change to risk assessment	I	I	E	E
RB2	Failure of ICT systems	System downtime has hindered progress on occasion and log-on difficulties have had to be addressed. Overall, however, there is no change to the risk assessment.	II	II	D	D
RB3	Loss of accommodation	Business / Service Continuity plan needs review.	II	II	D	D
RB4	Problems with system implementation	New system implemented. Risk Closed	II	Closed	E	Closed
RB5	Service performance drops during the transition period and early phase of implementation	Performance has suffered during the implementation of shared services and the new system, particularly in respect of benefits processing. The backlog is now being tackled and is reducing. Assessment has been changed accordingly	II	III	D	C
RB6	Key staff from services and/or project leave	New Head of Revenues & Benefits successfully recruited. Implementation project will be completed by established staff. Risk reduced.	II	II	D	E
RB7	Staff not ready for new ways of working	Some staff still getting used to new system. More training will be provided where necessary. No change to risk assessment	II	II	D	D
RB8	Recession leads to greater take-up of benefits and added pressure on service	This has contributed to the backlog of benefits work. Risk increased.	I	II	D	C
RB9	Recession leads to more non-payment of council tax and business rates	Council tax collection has held up remarkably well. Some evidence of recession affecting business rates but this has been clouded by the government's payment deferral scheme which in itself may lead to greater write-offs. Likelihood assessment increased	II	II	D	C
RB10	Recession means it is more difficult to collect sundry debts and HB overpayments	Likelihood assessment increased.	I	I	D	C

RB11	Risk of staff not wanting to move to Watford	Co-location completed. Risk closed.	II	Closed	E	Closed
RB12	Breach of Data Protection etc Acts	Assessment unaltered	III	III	F	F
RB13	Injury to staff or customer	Assessment unaltered	III	III	F	F

REVENUES & BENEFITS – OPERATING COSTS

Code	Revenues	2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
	Shared Services Operating Costs				
	Employees	1,170,571	1,150,914	1,060,101	(90,813)
	Transport	8,761	8,761	8,237	(524)
	Supplies & Services	192,490	236,442	267,918	(31,476)
	Contracted & Agency Services	82,420	0	0	0
	Income	(19,800)	0	0	0
	Sub-Total	1,434,442	1,396,117	1,336,256	(59,861)
	Recharge to Councils				
	Three Rivers District Council	559,432	544,486	(521,140)	23,346
	Watford Borough Council	875,010	851,631	(815,116)	36,515
	Sub-Total	1,434,442	1,396,117	(1,336,256)	59,861
	Total	0	0	0	0

Code	Benefits	2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
	Shared Services Operating Costs				
	Employees	1,276,164	1,293,680	1,431,367	137,687
	Transport	14,330	14,330	308	(14,022)
	Supplies & Services	110,930	245,035	254,661	9,626
	Contracted & Agency Services	950	0	0	0
	Income	0	(167,942)	(153,715)	14,227
	Sub-Total	1,402,374	1,385,103	1,532,621	147,518
	Recharge to Councils				
	Three Rivers District Council	(603,021)	(595,594)	(659,027)	(63,433)
	Watford Borough Council	(799,353)	(789,509)	(873,594)	(84,085)
	Sub-Total	(1,402,374)	(1,385,103)	(1,532,621)	(147,518)
	Total	0	0	0	0

REVENUES & BENEFITS – IMPLEMENTATION COSTS

		2009/10 Original £	2009/10 Revised £	2009/10 Out-turn £	2009/10 Variance £
1	Revenue Implementation Costs				
	- Programme Management	198,946	160,967	170,486	9,519
	Total	198,946	160,967	170,486	9,519
2	Capital Implementation Costs				
	- Systems Implementation	279,264	509,436	513,832	4,396
	Total	279,264	509,436	513,832	4,396

EXPLANATION OF VARIANCES

Operational Costs

Revenue activities showed a saving.

Benefit employee costs exceeded the budget. Additional staff were employed to tackle the backlog of benefit claims.

Implementation Costs

There was a small overspend on implementation costs. These have now come to an end.

Agenda Item 6

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 28 June 2010

PART A

AGENDA ITEM

6

Title: PERFORMANCE MANAGEMENT 2010/11

Report of: Director of Corporate Resources & Governance – Three Rivers D.C.

1. **SUMMARY**

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

2. **RECOMMENDATIONS**

2.1 That the Committee notes this report.

Contact Officer:

For further information on this report please contact:

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Report approved by:

Tricia Taylor – Executive Director – Watford B.C.

3. **DETAILED PROPOSAL**

3.1 Attached at Appendix 1 is a Monitoring Report to the end of June 2010.

3.2 This report concentrates on:-

- The headline position of services
- The performance indicators that are being collected. Members are asked to confirm the indicators that are required. The purpose is to ensure that the data is collected just once and used many times, i.e. that there are not ad-hoc requests for different data from either council.
- The projects that are to be carried out in this financial year. The report provides commentary on progress that is being made, the capacity to achieve the projects included in service plans, and barriers to their completion.

4. **IMPLICATIONS**

4.1 **Policy**

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

4.2 **Financial**

4.2.1 Budget monitoring information will be placed on the intranet. Members will be alerted as soon as it is available. A formal budget monitoring report will be provided to the Committee at its next meeting.

4.3 **Legal Issues** (Monitoring Officer)

4.3.1 None specific to this report.

4.4 **Risk Management and Health & Safety**

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

4.5 **Equalities**

4.5.1 *Relevance Test*

Has a relevance test been completed for Equality Impact?

No

There is no proposed change to the shared services.

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

4.6.1 None Specific

Appendices

1 Monitoring Report – June 2010.

Background Papers

No background papers were used in the preparation of this report.



Shared Services – Performance Management

Monitoring Report

June 2010

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INFORMATION & COMMUNICATION TECHNOLOGY – HEADLINES

Work on resilience cross training, contract alignment and service improvement continues. Despite best efforts to transfer the Steria Team Leader into the Shared Service, he accepted an internal position with their company. The focus during this quarter is continue to liaise with Steria to obtain a full handover of information that was not identified during the transition period.

The server move to Apsley will be planned as soon as possible following the finalisation of the contract with HCC. A full Disaster Recovery test of all servers at WBC will be conducted before the move in order to minimise risk. In addition to this, we will expedite the rollout of the Active directory and Exchange migration for both Councils. This was previously delayed due to resource pressures and conflicting priorities.

In addition to the 14 projects set out for 2010 /11 within the ICT service plan, there have been a further 17 projects requested of ICT bringing the total to 31. This increase in demand has had a resource impact on the department and requires re-prioritisation in order to allow ICT to operate their day to day business effectively. As a result, it has been agreed that infrastructure projects will be prioritised in order to minimise risk to both councils systems. Following this, each council will reprioritise new projects that they have requested that are not within the ICT Service Plan. WBC have so far deferred the SMS project, Mobile working and the implementation of the Housing Module of Uniform pending a reprioritisation exercise which will be conducted by the ICT strategy group.

In order to ensure that our ICT platform is fit for purpose to accommodate these projects now and into the future, senior managers at both councils have requested an independent review of the ICT platform serving both councils. The timing and costs of the review will be reported at the Joint Committee meeting.

Key projects such as the replacement of cash receipting and income management system, planning document management system and total land charges for TRDC, upgrade of Uniform for both councils and SAN and Backup solution replacement for WBC are being taken forward; progress will be reported at next Joint Committee. Projects completed in the last 2 months are Electronic Licence Management System, Jamma (Fleet Management System review) and 1App (Planning Application online) for WBC.

INFORMATION & COMMUNICATION TECHNOLOGY – IMPROVED PERFORMANCE – PERFORMANCE INDICATORS

Ref	Description	Recommendation (Retain / Delete / Amend/ Add)
KPI 1	Resolution of Reported Incidents	Retain
KPI 2	Annual Customer Satisfaction	Retain
KPI 3	Acquisition Cost of Workstation	Retain
KPI 4	Service Availability	Retain
KPI 5	Cost per Connection to Voice Network	Delete – this is made up of the cost per voice connection, plus initial capital costs, plus costs of calls including mobile phones. We do not have changing capital costs as we reissue handsets that are in stock and mobile telephony is out of the scope of the ICT service.
KPI 7	User Satisfaction	Retain
KPI 8	Project Price, Time, Quality Matrix Met	Retain – but just for ICT led projects.
KPI 9	Successful Recovery of Key Services as stated in Emergency Plan	Retain

INFORMATION & COMMUNICATION TECHNOLOGY – IMPROVED PERFORMANCE – PROJECTS

The ICT Service Plan includes the following projects for 2010/11:-

Project	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	2011-2012	2012-2013	Progress / Comments
Consolidation of IT Hardware, Software and licensing														→	This is an ongoing task as some contracts are set for up to 5 years
Rollout of a Corporate Document Management System for WBC														→	This is being discussed at WBC and will be prioritised by the ICT Strategy Group
Replacement SAN and backup solution									→						A high level project plan has been completed and we are currently in the solution design phase.
Rollout of corporate Mobile Working system for WBC												→			This has been delayed by 6 months following the last ICT Strategy group meeting.

Project	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	2011-2012	2012-2013	Progress / Comments	
Plan for the harmonisation of software used within the out of scope services: <ul style="list-style-type: none"> • Elections system • CRM system • Planning DMS • Cash receipting • Uniform modules e.g. garages • GIS Licensing 	→														<ul style="list-style-type: none"> • TRDC Elections system has been replaced but was not harmonised with WBC. 	
														→	<ul style="list-style-type: none"> • Supplier meetings being held. 	
														→	<ul style="list-style-type: none"> • Currently in the Implementation phase. • Project has been kicked off. 	
				→												<ul style="list-style-type: none"> • No progress as yet due to pressures to upgrade existing systems.
															→	<ul style="list-style-type: none"> • Contract harmonisation complete, licences have to be separate until the systems sit on a single installation
															→	
															→	

Project	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	2011-2012	2012-2013	Progress / Comments
Implementation of CPD module for HR Shared Service			→												This has been delayed whilst options are being considered.
IP based telephony at both councils to reduce cost of calls between both councils.												→			Not yet active
Achieving Customer Services Excellence						→									All four of the shared services will be working towards this.
Market and subsequently expand the ICT shared service to other Authorities													→		Not yet active
Plan and implement a strategy to reduce the carbon footprint of the ICT service												→			ICT are of the working group for the carbon management for WBC and will use knowledge gained here to feed into this strategy.

FINANCE – HEADLINES

The key activities are now:

- Closing the accounts and preparing the financial statements for both councils and shared services
- Completing accounting working papers to a standard to satisfy audit requirements
- Facilitate the external audit and respond to all demands for explanations and further evidence
- Introduce new budget monitoring arrangements in Watford and further train heads of services in budget management and use of the new financial management system
- Continue with the implementation of Collaborative Planning (due end of 2010)
- Initial planning for budget setting 2011/14 and application of rules for resource prioritisation, growth, savings, capitol investment, options appraisals, service planning
- Production of schedules for controlling reconciliations throughout both councils and all services and agreeing requirements, records, responsibility, frequency and sign-off
- Investigating methods of internal recharges including cross-authority costs
- Continuing the attainment of resilience
- Investigating internal audit arrangements from 2011
- Continuing to harmonise procedure
- Whole of Government Accounts
- Supporting Value for Money Reviews and other services projects

FINANCE – IMPROVED PERFORMANCE – PERFORMANCE INDICATORS

Ref	Description	Recommendation (Retain / Delete / Amend/ Add)
FN01	Budget Monitoring & Setting Timetable agreed prior to financial year	Retain
FN02	Monthly Bank & System Reconciliations performed and signed off within 10 days of period end	Retain
FN02	Budget Changes uploaded to FMS within 2 days of approval	Retain
FN02	Third Party Payments are made to statutory deadlines and for other parties within 10 days of month end	Retain
FN03	Revenue Out-turn within range of -3% to 0% of original budget	Retain
FN03	Capital Out-turn within range of -3% to 0% of original budget	Retain
FN03	Budget Monitoring & Budget Setting Timetables are met	Retain
FN04	Cumulative ongoing cashable efficiency gains are achieved (N1179)	Retain

Ref	Description	Recommendation (Retain / Delete / Amend/ Add)
FN04	Statements of Account approved by 30 th June by Audit Committees with no material errors and published with unqualified audit opinion by 30 th September	Retain
FN04	Use of Resources – Level 3 achieved for Managing Finances	Delete
FN05	Revenue Account (RA) Form returned by government specified date	Retain
FN05	Revenue Summary (RS) Form returned by government specified date	Retain
FN05	Capital Out-turn (CO) Form returned by government specified date	Retain
FN06	Percentage User Satisfaction with Financial services	Retain
FN07	Insurance – Customer Satisfaction	Retain
FN07	Insurance – Successful defence of claims	Retain
FN07	Insurance – Correspondence answered within 10 working days	Retain

Ref	Description	Recommendation (Retain / Delete / Amend/ Add)
FN08	Average Investment Interest Rate to be no less than 0.12% different from average Base Rate	Retain
FN09	Percentage of Undisputed Invoices Paid within 30 days	Retain
FN09	Percentage of Invoices Paid by BACS	Retain
FN09	Percentage of purchasing conducted electronically (E-mail orders)	Delete
FN10	Achievement of Annual Internal Audit Plan	Retain
FN11	Anti-Fraud – Number of Investigations	Retain
FN11	Anti-Fraud – Number of Investigators	Delete
FN11	Anti-Fraud – Number of Sanctions	Retain
FN12	Allegations of corporate fraud – Investigations to be commenced within 5 days of referral	Retain

Ref	Description	Recommendation (Retain / Delete / Amend/ Add)
	Period end closure ensuring financial statements reflect a full and true view of costs incurred and control processes including reconciliations are completed	Add
	Review and reporting of actual against plan with value add narrative where applicable	Add

FINANCE – IMPROVED PERFORMANCE – PROJECTS

The Finance Service Plan includes the following projects for 2010/11:-

Project	Apr 2009	May 2009	Jun 2009	Jul 2009	Aug 2009	Sep 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	2010-2011	2011-2012	Progress / Comments
Implementation of Finance Shared Services															
														→	
Implementation of Financial Management System															
														→	

The Implementation of Finance Shared Services is the continued harmonisation of procedures, for example internal recharges and attainment of and strengthening resilience.

The Implementation of Financial Management System is completing satisfactorily a number of snagging issues and the introduction of the module for Collaborative Planning.

HUMAN RESOURCES – HEADLINES

The key activities are now:

Harmonisation project – reviewing day to day terms and conditions of employment (i.e. those that affect people on a day to day basis such as annual leave, overtime, cigarette breaks; dress code) and conducting a feasibility study for Three Rivers regarding the potential implementation of the Watford pay and grading scheme.

Completion of the remaining Resource Link modules allowing for greater degree of self service and automation.

Cross working across both councils to build resilience in HR team. For example HR Business Partners are allocated to Services for both Councils. The HR Business Partners responsible for Community Services will be the key contact for both Councils.

Further develop the relationship with Northgate to improve service delivery and reduce error rates.

Continuing with the various projects highlighted in Service Plan.

Explore opportunities for further shared working. For example explore the possibility of sharing a Health and Safety Adviser with Herts County Council, drawing on their resources and expertise. Herts CC have a larger team available which will build resilience within both Councils and also the Health and Safety Advisers are qualified to a higher standard than required by either Watford or Three Rivers. This should improve the service offered. Finally, Herts CC have indicated that the cost is likely to be lower than currently paid by Watford and Three Rivers.

Learning and Development activities for both Councils will include succession planning and reviewing the L&D programme to ensure it is focused on future needs and requirements of the workforce.

Within L&D there will also be the development (in consultation with both Councils) of a new on line appraisal system, ready for use in April 2011.

HUMAN RESOURCES – IMPROVED PERFORMANCE – PERFORMANCE INDICATORS

Ref	Description	Recommendation (Retain / Delete / Amend/ Add)
HR01	Working days lost due to sickness per member of staff	Retain target for 2010/11 is 7.6 days for each Council.
HR02	The percentage of top 5% of earners that are women	Amend to top 10% to bring in line with TRDC reporting
HR03	The percentage of top 5% of earners that are from black and ethnic minority communities	Amend to top 10% to bring in line with TRDC reporting
HR04	The percentage of top 5% of earners with a disability	Amend to top 10% to bring in line with TRDC reporting
HR05	The percentage of Local authority employees declaring that they meet the Disability Discrimination Act 1995 disability definition	Retain
HR06	The percentage of local authority employees minority ethnic communities	Retain
HR07	The percentage of sickness which is long term and short term	Retain
HR08	The percentage of staff successfully completing their probation period	Delete – I am not sure what purpose this really serves. It should usually be 100% and HR should report any adverse patterns to Management Board/Leadership Team

Ref	Description	Recommendation (Retain / Delete / Amend/ Add)
HR09	The percentage of employee turnover	Retain
HR10	The ratio of HR (FTE) per employee	Retain
HR11	The percentage of staff receiving an annual appraisal (of those eligible to do so) within target timescale	Retain

HUMAN RESOURCES – IMPROVED PERFORMANCE – PROJECTS

The HR Service Plan includes the following projects for 2010/11:-

Project	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	2011-2012	2012-2013	Progress / Comments
Set up shared HR Service including transition for TRDC employees to off site/kiosk HR services; develop a multi skilled HR Advisory service and use Customer Services Excellence as the framework for a high quality service.									→						On Track Shared Services set up in November 2009. Good progress with transition to new ways of working. HR Advisers and HR Business Partners now working effectively across both Councils CSE review now due in November of 2010
Harmonisation of annual leave and other terms and conditions												→			On Track. HR Business Partner seconded; Project Initiation document completed; steering group and working group set up; representation by Unison and non Union representatives agreed.

Project	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	2011-2012	2012-2013	Progress / Comments
Harmonisation of policies and procedures (starting with grievance Procedure; Job evaluation process and Recruitment)	→														On Track Matrix of policies to be reviewed over a 3 year timescale has been completed. HR staff allocated to review of policies. Priority order agreed.
Review NJC Job evaluation across TRDC	→														On Track. Feasibility review being undertaken as part of harmonisation project above
TUPE transfers in Community and IT	→														On track. To fit with Community Services timeframe
Introduce Resourcelink self service modules (recruitment, expense management, Learning and Development)	→														Delayed. Some modules have been delayed due to resource issues at Northgate. Final module CPD, to be introduced during summer of 2010 and ready for use by end of March 2011

Project	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	2011-2012	2012-2013	Progress / Comments
Complete an Establishment List for Watford BC; link with list for TRDC; monitor workforce against Establishment						→									Partial completion. Structure charts for Watford BC completed showing all roles and vacant posts. Currently updated manually. This needs to link to Manager Self Service via Resource Link, which should be completed within the next 2 months.
Extend CRB umbrella body services to WBC							→								On Hold until adequate resource is available to move the project forward

Project	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	2011-2012	2012-2013	Progress / Comments	
Participate in and carry out CIPFA HR Customer satisfaction surveys	→														On Track. Annual requirement. Next survey due later this year.	
Align on line advisory websites and publications							→									Delayed. Work progressing as and when contracts are due for renewal, although no overall plan has been outlined as yet.
Create and implement workforce development plans	→														On-going requirement following completion of appraisals each year	
Complete Investors in People accreditation	→														Assessment delayed until June 2010	
Extend Cycle to work bike salary sacrifice scheme to TRDC	→														Delayed due to other work commitments. Planned for later this year.	

Project	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	2011-2012	2012-2013	Progress / Comments
Adopt a joint approach to recruitment advertising, selection and appointment procedures					→										Undertake research into feasibility of joint approach; present findings; obtain agreement to proceed
Align Performance appraisal and Learning and Development activities													→		Review once electronic system (CPD module) is installed; review appraisal scheme and outline areas to be included in electronic version (including 360); launch from April 2011
Develop ways in which work experience opportunities for disadvantaged people and school aged children are regularly provided.										→					New project that starts in April and will run through the year

Project	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	2011-2012	2012-2013	Progress / Comments	
Develop an approach to Apprenticeships for TRDC and WBC.			→													Partial progress. Some interest but limited due to financial constraints. Further work being undertaken by HR with Services from both Councils.
Consider how to market Shared HR service to other Districts within Herts.			→											Ongoing project to commence from June 2010		
Consider extending fee paying clients arrangements beyond West Herts. Crem.			→													Delayed to Autumn. To be given consideration once Shared Services has settled down

REVENUES & BENEFITS – HEADLINES

The key activities are now:

- To further reduce the backlog of council tax and housing benefit claims

Phil Adlard, the new Head of Revenues & Benefits, starts with us on 12 July, replacing Susan Townshend who retired on 27 May.

Considerable management time has been spend on closing the 2009/10 accounts, a process that has been complicated by the fact that two systems were in operation for Watford during the financial year.

REVENUES & BENEFITS – PERFORMANCE INDICATORS

Ref	Description	Recommendation (Retain / Delete / Amend/ Add)
NI 180	Changes in Housing Benefit/Council Tax Benefit new claims and change events	Retain – National Indicator
NI 181	Time taken to process Housing Benefit / Council Tax Benefit new claims and change events	Retain – National Indicator
RB 1	The percentage of council tax collected	Retain – This measures the amount of council tax collected within the financial year. Members are reminded that the Council Tax Base includes an allowance for non-collection which is measured by including the collection of arrears beyond the end of the financial year. Not to achieve the rate of collection included in the Council Tax Base may cause the Collection Fund to be in deficit and an adjustment to be made to subsequent council tax charges. Members may wish to measure this overall collection rate.
RB 2	The percentage of NNDR collected	Retain
RB 3	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.	Retain – It is suggested that in the short-term, whilst there are backlogs in processing new claims, the number of outstanding claims and an age analysis of the claims is prepared weekly for members.

Ref	Description	Recommendation (Retain / Delete / Amend/ Add)
RB 4	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.	Retain – It is suggested that in the short-term, whilst there are backlogs in processing changes in circumstance, the number of outstanding claims and an age analysis of the claims is prepared weekly for members.
RB 5	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	Retain
RB 6	Amount of housing benefit overpayments (HB) recovered during the period being reported on as a percentage of HB deemed recoverable overpayments during that period	Retain
RB 7	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.	Retain
RB 8	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.	Retain

Ref	Description	Recommendation (Retain / Delete / Amend/ Add)
RB 9	Percentage by numbers of customers (net of full benefit and exemptions) of council tax collected by direct debit	Retain
	General Debtors Raised	Add – Currently included in Watford’s Performance Monitoring reports as a local indicator. To be measured in both number and value of debtor accounts raised (This excludes council tax and NNDR)
	Sundry Income collection (% of overall annual income charge for the year received)	Add – Currently included in Watford’s Performance Monitoring reports as a local indicator.

REVENUES & BENEFITS – IMPROVED PERFORMANCE – PROJECTS

The Revenues and Benefits Service Plan includes the following project for 2010/11:-

Project	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	2011-2012	2012-2013	Progress / Comments
Consolidate Implementation of Shared Service									→						

To complete the project we will:-

- Test the integration portal so that we can transfer agreed first-line enquiries to the Customer Services Centres.
- Continue to build experience and knowledge of the new system for staff.
- Extend mobile working so that we can visit as many new claimants at home as possible in order to speed up processing times
- Ensure that there is more resilience in the closing of accounts process for 2010/11.

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Agenda Item 7

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 28/06/10

PART A

AGENDA ITEM

7

Title: *ICT THIRD PARTY SUPPORT*

Report of: Avni Patel - Head of ICT

1. SUMMARY

- 1.1 This report outlines the proposal for 3rd party support for the Finance and Revenues & Benefits systems in order to alleviate the risk of either key system being unavailable during core hours.

2. RECOMMENDATIONS

- 2.1 That the Joint Committee agrees to the growth in the Revenues & Benefits and Finance budgets for these systems to be supported sufficiently as below:
- Revenues and Benefits – Option 2 for 40 vouchers
 - Finance – Option 1 for a 3 year ongoing commitment

Contact Officer:

For further information on this report please contact:

Avni Patel – Head of ICT

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Report approved by:

Tricia Taylor – Executive Director Resources – Watford Borough Council

David Gardner – Director of Corporate Resources & Governance – Three Rivers D.C.

3. DETAILED PROPOSAL

- 3.1 The Revenues and Benefits system (Academy) and the Finance System (COA) are both now live with WBC and both councils respectively. The implementation of the TRDC Academy system onto the shared Microsoft based server has been delayed.

Revenues and Benefits Support (R&B)

The previous R&B system at WBC (Civica) was a Unidata database held on a Microsoft server which was fully supported by the 3rd party supplier as part of our support contract with them. Any upgrades to the live system were planned and conducted by the department system administrator out of hours or resulted in downtime during core hours.

The current R&B system at TRDC (Academy) is an Ingres database held on a UNIX server which was supported by Steria in conjunction with the 3rd party supplier. Upgrades to the live system are currently performed out of hours to minimise impact on service delivery. In the last financial year and years previous to this, any cost associated with out of hours upgrades (Steria overtime backed up by Capita consultancy if required) was met by under spends in either the ICT or the R&B budgets. This is now supported by the ICT Shared Service in conjunction with Capita support but there is currently no UNIX support as this was provided by a specialist team within Steria who were not within the scope for TUPE transfer.

The new R&B system that has been implemented for WBC and will soon be used by TRDC is an Ingres database held on a Microsoft server which is supported by the ICT Shared Service in conjunction with Capita support (only available from 9am to 5 pm, Monday to Friday). There is currently no budget provision for support from Capita for changes to the live system out of hours. This means that if ICT Shared Service perform weekend or evening upgrades and there are problems that require Capita input, they would only be available to assist from 9.00 am on the next working day. Due to the nature of the R&B there are usually multiple updates required within any given year which increases the risk to both councils.

Finance Support

The previous Finance system at WBC (Aptos) was based on an Oracle database which was supported fully by the supplier. An option to purchase the database support from the supplier was taken up by the council as this is a specialist ICT area and not many other council systems were based on Oracle. Traditionally the cost of training to become an Oracle developer is high and would require a considerable amount of investment to ensure that the skill was developed and maintained in-house.

The previous Finance system at TRDC (Powersolve) was based on Ingres and supported by Steria in conjunction with the software supplier. Oracle support was not required and therefore it is not a skill that was brought to the ICT Shared Service by staff that TUPE'd in from Steria.

The new Finance system for both councils (COA) is based on Oracle and was not purchased with database support from the supplier. This poses a risk to the council in that there is currently no budget provision or in-house skill to maintain the database or indeed troubleshoot any problems that may arise.

4 **IMPLICATIONS**

The main objective of both systems is to be highly available especially during core hours to enable effective and efficient service delivery.

Revenues & Benefits

The R&B system is critical due to its role in providing a service to the residents and businesses of Watford and Three Rivers. It is heavily used by staff during core hours and will be also used more by customers directly with the implementation of the self service module.

In the short term, the lack of in-house UNIX support is a big risk to TRDC and the R&B Shared Service.

The lack of support from Capita for out of hours work is a longer term risk to both councils and will need to be addressed as a long term solution.

There are two options to overcome this risk:

1. Subscribe to the remote support contract offered by the supplier, this would cover above and beyond what we require and would mean that we would be paying for the supplier to carry out tasks that can be performed by in-house staff e.g. Ingres Support. This option still leaves us with a lack of support for UNIX related work (see appendix 1).
2. Purchase a set number of vouchers for consultancy or technical time from the supplier. This could include upgrade support, UNIX support as well as other technical expertise (see appendix 2).

It is the opinion of the Head of ICT that the most cost efficient way of covering both these areas is with the purchase of 40 call off vouchers that will each provide 2 hours worth of consultancy from Capita. This can be used out of hours (at double time) to provide any service we require. Once the TRDC system has been migrated to the new servers, UNIX support will no longer be required and we can reduce the call off vouchers in the next financial year. This could be further reduced if the number of upgrades that were released by the supplier were to reduce.

This would allow more flexibility and cost effectiveness rather than subscribing to a remote support contract with the supplier at a high cost.

Finance

The Finance system is key to the day to day management and running of both councils. Its users are mainly internal council staff but it interfaces with many other systems such as online payments and the R&B system.

It does not carry the same risk as R&B in terms of out of hours upgrades due to the frequency of upgrades only being annual or even less. These upgrades could be planned during core hours or alternatively be resourced with savings within either the Finance or ICT budgets.

The major risk to the Finance system is the lack of in-house expertise both within ICT and Finance of maintenance of the Oracle database that is integral to the system. The following options are available to minimise this risk:

1. Purchase the database configuration service annually as part of the support directly from COA (appendix 3).
2. Train ICT staff in Oracle development and build the skill in-house; extra support would be needed for a period of time until all Applications Staff are trained and au fait with the system in order to maintain resilience (appendix 4).

It is the recommendation of the Head of ICT that the database configuration service be purchased direct from the supplier so that expertise in this area is at hand when needed. This also reduces the ongoing training cost to the council that would arise from new versions of the database software being released and also training that may be required if staff turnover increased.

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 will be growth to the budget already agreed by the Joint Committee, Three Rivers District Council and Watford Borough Council.

Costing is summarised below and detail can be found in the appendices.

Revenues and Benefits support

Option 1:

Remote Support Options	1 year	3 years	5 years
Full support not including Out of Hours	£50,787	£47,965	£44,144
Full support including Out of Hours	£60,944	£57,558	£54,173

Option 2:

Pre-Paid Vouchers	
30 vouchers (total of 60 support hours)	£9,000
40 vouchers (total of 80 support hours)	£11,200

Finance support

Option 1:

Database administration service	Annual charge
1 year contract (non renewable)	£10,500
3 year commitment	£10,000

Option 2:

Training options for Oracle skills were investigated as the COA product requires Oracle DBA skillsets. The training to bring an applications analyst within ICT to DBA level would be as follows. In addition to this, a 1 year contract for the database administration is recommended whilst training is undertaken by ICT staff.

Oracle Overview - 1 day -	£400
Enterprise Manager for Oracle - 2 days (Use of front end using a GUI interface)	£800
Oracle DBA 11g Part 1 - 5 days (Overview of the main elements involved in DBA role)	£1,600
Oracle DBA 11g Part 2 - 5 days (Part 1 in more detail)	£1,600
Oracle DB performance management - 4 days (Fine tuning of the database)	£1,400
Training Total (per person)	£5,800
Training total for 8 Applications Analysts	£46,400
1 year database administration service	£10,500
Total	£56,900

4.3 Legal Issues (Monitoring Officer)

4.3.1 None specific

4.4 Risk Management and Health & Safety

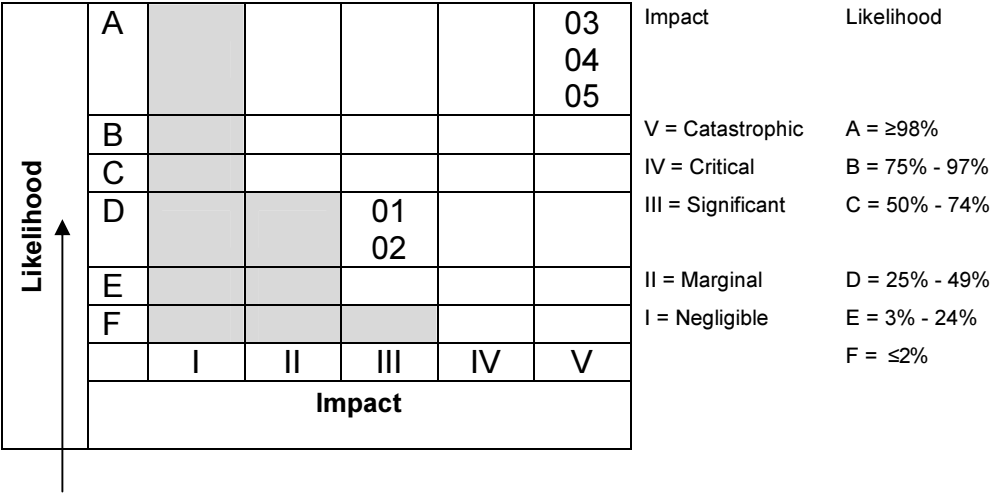
4.4.1 The following table gives the risks if the recommendation is agreed, together with a scored assessment of their impact and likelihood.

Description of Risk		Impact	Likelihood
01	The growth results in an increase in budget	III	D
02	The capita vouchers are not sufficient to cover the support required over the year.	III	D

4.4.2 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
03	No change is made and downtime has to be planned for upgrades during core hours.	V	A
04	Increased complaints into the council due to system being unavailable to process claims for Benefits customers	V	A
05	Finance database problems cannot be fixed and are done on a best endeavours basis with COA.	V	A

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.



Appendices

- Appendix 1 – Capita Remote Support proposal
- Appendix 2 – Capita Pre-Paid Support Vouchers quote
- Appendix 3 – COA Technical Service Proposal
- Appendix 4 – Oracle DBA course costs



Remote Support Services

**Written By: Kevin Pattenden
Date: April 2009**

UNIX

Operating System Installation and Support.

Patch installation

(Where essential for Ingres or Academy products).
Installation of correction patches to the Unix Operating System

Operating System Upgrades

(When certified as required by Capita for use with the Academy products).
Installation of software upgrades to the Unix Operating System

Hardware Upgrades

(If purchased by the Customer and are designated by the supplier as Customer installable).

System Administration

User administration

Example: creating new operating system user names.

Printer administration

Defining new printers to Unix, amending printer definitions, helping to resolve printing problems.

System back-ups

Set up the Unix script to perform system back-ups to tape;
Set up a cronjob to run the backup script daily;
Periodically (at least weekly) check that the back-ups are successful.

NOTE: It is the Customer's responsibility to change the tapes each day.

Kernel and System tuning

Periodically (at least quarterly) check to ensure the Unix system is set up for maximum performance.

Capacity Management and reporting.

Periodically (at least monthly) check disk and processor usage and agree actions with the Customer, where necessary.

Network administration

Configure network settings on the Unix server.

Creation of bespoke UNIX shell scripts (not interfaces)

Capita may require a script to be written and run to ensure the continued satisfactory operation of the Academy application software.

Ingres

Ingres installation and support

Patch installation (Where essential for Academy products)

From time to time CA Ingres issue correction patches to their products which require installation on the Unix server.

Ingres upgrades (When certified as required by Capita for use with Academy products).

CA Ingres issue new versions of their products from time to time which require installation on the Unix server.

Ingres Administration

User Administration

Addition and deletion of user names as required

System parameter tuning

Monitoring and amendment of Ingres parameters for optimum performance.

Ingres database checkpoints and housekeeping

The Academy products supply a means of checkpointing and housekeeping the databases using the scheduler. The Customer must ensure these jobs are included in their daily/weekly schedules as appropriate. Capita will supply advice and guidance as to when and how these tasks should be included in the Customer schedules.

Capita will periodically review the number of checkpoints available and keep to an agreed number of checkpoints to ensure disk space is always available.

Academy Applications Support

PRODUCTS:

(Select as appropriate)

- Academy Housing Benefits
- Academy Council Tax
- Academy Overpayments
- Academy Payments
- Academy NNDR

Product upgrades and enhancements

Academy product release installation – up to five days notice is required.

Test systems will be installed during normal office hours.

Live systems will be installed at times agreed with the Customer.

Each new release must be installed into a test service before the live installation.

Product Administration

Assist with the resolution of Application related problems when reported by the Customer.

Printer administration

Includes new printer definitions, printer formatting (landscape, portrait, etc.).
Excludes document templating and reformatting.

Database Checkpoints and Housekeeping

It is the responsibility of the Customer to ensure these jobs are included in their daily/ weekly schedules as appropriate. Capita will provide advice and guidance as required. The Customer should report any failure of these jobs to the Capita Remote Support Team as soon as possible.

Copy live data to test

Most Customers require their live data to be copied to their test services from time to time. Capita will perform this copy in the way most appropriate to the Customer's requirements.

Up to five days notice may be required to perform this task. (This element is limited to 12 database refreshes per year.)

Other Actions

From time to time it may be appropriate for Capita to perform other services on behalf of the Customer.

If these actions would incur an additional charge, then the Customer will be informed prior to the work being carried out.

General Support

Monthly Client Reports

Provide a report on the current Customer situation. This report will include:

- current software releases;
- disk space usage;
- number of jobs held in the application;
- number of documents held in the application;
- any recommendations that are appropriate;
 - major problems that occurred during the reporting period; e.g. system backup failures, priority 1 calls;
- other information that the Customer may reasonably request.

Call Log Reports

Calls logged onto the Remote Support Help desks can be viewed via the Capita Software Services website. The website will allow some reporting of calls placed, closed etc.

Quarterly Review Meetings

A member of the Remote Support Team will visit the Customer site to review the level of service being supplied and discuss any points relevant to the service.

We suggest quarterly is an appropriate frequency for these meetings but this can be varied by mutual agreement.

Schedule 1 – Help Desk Response and Escalation Procedures

Remote Support Help Desk

The Remote Support Service will operate within the normal working hours of the Capita Help Desk, unless specifically stated in this document or in a separate agreement.

All calls logged will be given a priority based on the severity of the problem as agreed between the Customer and the Consultant involved.

As an example:-

- priority 1 will mean system down or unusable;
- priority 2 for other problems;
- priority 3 for something foreseeable and can be planned.

The standard working hours are as follows:

8:00 am – 6:00 pm: (Monday to Friday) excluding English bank and public holidays.

The following Service Charter will apply to all calls placed with the Capita Remote Support Help Desk:

Call Priority	Severity	Impact	Target Response Time	Target Resolution Time
1	Business critical issue	Impact is dependent on number of users affected – preventing progress with running the business.	1 hour	4 hours
2	Business process impact	A problem in a key process or function, not preventing progress but causing business problems if not resolved within target period or period as agreed by both parties.	4 hours	5 days
3	Minor impact or request for change	A minor problem either cosmetic or otherwise, not preventing the operation of the system.	2 days	10 days

In the event of a priority 1 call, if a diagnosis cannot be made within one working day and it is appropriate, a Consultant will attend site the following working day, and remain on site until a plan has been agreed.

Escalation Procedure

Escalation procedures are as follows:

If the call is not being resolved within the timescales agreed at the time the problem was logged, the call should be escalated to the Remote Support Manager.

Should a satisfactory reply not be received within 48 hours the call should be escalated to the Technical Services Director.

Site	Watford	Three Rivers	Combined	Combined 3 Year Contract	Combined 5 Year Contract
3 Months Ingres Only *	£4,725	£4,725	£8,505		
3 months Apps Only *	£7,245	£7,245	£13,041		
3 Months OS only *	£3,038	£3,038	£5,468		
6 Months Ingres Only *	£7,290	£7,290	£13,122		
6 Months Apps Only *	£11,610	£11,610	£20,898		
6 Months OS only *	£4,050	£4,050	£7,290		
12 Months Ingres Only *	£10,395	£10,395	£18,711		
12 Months Apps Only *	£18,315	£18,315	£32,967		
12 Months OS only *	£5,940	£5,940	£10,692		
* Excludes Out of Hours, (OOH). Can be included at an extra 20%					
Totals					
Full Support Not Inc OOH	£28,215	£28,215	£50,787	£47,965	£45,144
Full Support Inc OOH	£34,065	£34,065	£60,944	£57,558	£54,173



Watford Borough Council and Three Rivers District Council Technical Services Proposal

Version 1.0

Prepared by:
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COA Support Management

Dated:
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Document Change History

Version	Date	Author	Reason for Change
1.0	7 th May 2010	Hilary Parfit	No previous document.
1.1	10 th May 2010	Hilary Parfit	Adjusted to offer an initial 1 year only monthly RDBA service

Reviewers

Name	Company & Role
Jonathan Willatt	Project Manager
Caroline Casey	COA eFinancials Services & Support Director

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Confidentiality

This proposal does not constitute a formal offer for the provision of services, it is provided as an initial discussion document. COA Solutions would be pleased to present and discuss this proposal with Watford Borough Council and Three Rivers District Council in order to provide further clarifications as necessary and to tailor the service specifically Watford Borough Council and Three Rivers District Council requirements.

The material contained in this proposal represents proprietary, confidential information pertaining to COA Solutions Ltd products and methods. By accepting this proposal, Watford Borough Council and Three Rivers District Council hereby agrees that the information in this proposal shall not be disclosed outside of Watford Borough Council and Three Rivers District Council and shall not be duplicated, used, or disclosed for any purpose other than to evaluate this proposal. If, however, a contract is awarded to COA Solutions Ltd for this proposal as a result of, or in conjunction with, the submission of this information, Watford Borough Council and Three Rivers District Council will have the right to duplicate, use or disclose the material contained herein to the extent provided for in the resulting contract.

Executive Summary

COA Solutions is pleased to submit this proposal to Watford Borough Council and Three Rivers District Council for remote Technical Services. Watford Borough Council and Three Rivers District Council are an existing eFinancials customer.

COA Technical Services have been operational for over 10 years, and many of the original customers of this service are still customers today. This proposal will now proceed to describe COA Solutions Technical Services as requested by Watford Borough Council and Three Rivers District Council.

COA Technical Services

At COA we have a reputation for success in delivering high quality business solutions to our clients on time and within budget. Our technical consultants have many years experience of delivering high quality business solutions in partnership with our clients.

Partnership with our clients is inherent to COA and embedded in our company culture. Our approach is based upon the accumulation of knowledge and best practice gained from delivering best value, socially inclusive solutions to many UK clients. COA has a wealth of knowledge and experience from Technical service delivery to share.

Costs Summary

Description	Price Per Annum £
Quarterly Database Health Check	6,600
Monthly Database Administration Service	10,000
Configuration Management Service	5,500

Inclusions and Assumptions

- All prices quoted here will be annually increased in line with CEL index.
- Proposal is based on a 3 year commitment.
 - An initial 1 year contract for the monthly database administration service is also offered to Watford and Three Rivers Councils at £10,500.00.
- Expenses as incurred will be charged for all on-site visits.
- For remote services the client will provide a facility for to have remote access to the required servers. There will be no additional cost for COA Solutions. Access will be via modem and/or VPN.
- The client will undertake to change daily backup tapes, labelling, recording and storing appropriately.
- Additional work can be completed on a time and materials basis.
- Hours of service are 9am to 5.30pm Monday to Friday excluding English Public and Bank holidays.
- Pricing is based on LIVE, TEST and TRAIN environments for the use of Watford Borough Council and Three Rivers District Council.
- Standard code
- Prices based on support of the following applications:
 - Business objects
 - eFinancials
 - eProcurement
 - ISS
 - CP
 - Paperclip
 - Web COA
 - eAnalyser
- Prices exclude VAT and are subject to standard terms and conditions.

- Proposal is valid for 60 days

Remote Database Administration

Remote Database Administration Service

Our service is designed to fulfill the role of an in-house database administrator (DBA) relieving customers from the task of recruiting specialist database skills. In addition to a high level of database administration skills, our service offers considerable years experience in Oracle coupled with COA Solutions applications, and thus a comparable service can't be easily sourced externally to COA.

Using COA Solution's remote DBA service offers customers a breadth of skills and guaranteed DBA resource that can only be available when working with a team. Our DBA team holds Oracle Certified Professional (OCP) accreditation.

COA Solution's Remote DBA Approach

We aim to deliver zero unscheduled down time by addressing problems before they arise. We proactively measure and monitor the database on a monthly basis to detect any impending problems.

Our monitoring includes the following:

- Database alert logs and trace files
- Review of database storage
- Schema object alerts
- Database Audit alerts
- Database resource utilization
- Database performance statistics

A more detailed list of tasks is contained in appendix A.

Benefits of COA Solution's remote database administration services

Maximizes system availability

Maximizes system performance

Full audit of backup and restore process

Access to technical database expertise

A typical task list is included in appendix A. The tasks will vary slightly depending on the version of Oracle the customer has installed.

Typically the service will be initiated by an on-site visit, and thereafter the customer can request a bi-annual on site visit. The visit is included in the service price, however, expenses are chargeable at the customer's agreed rate with COA Solutions.

Remote Quarterly Database Health Checks

Quarterly Database Health Check

This service comprises 4 database health checks and summary reports per year. The content of the Database Health Check and report will be as per the monthly service described above. This offers sufficient cover for smaller sites, and can be used as additional support where the customer is building in-house Oracle skills and requires some added security.

Any remedial work identified as necessary during the health check will be carried out as part of this service, with the exception of any large pieces of work which would exceed the 1.5 day allowance per quarter. This service is limited to 6 days (1.5 per quarter) scheduled effort per annum.

Please note this is not a comparable service to our Database Administration Service. This service is a Database Health Check service only. Any additional work between the scheduled Health Checks, or requests for extra database work, for example refreshing the TEST database with LIVE data, will attract an additional charge. Additional work will be charged at our standard daily rate.

The Task list in appendix 1 highlights in blue items excluded from this service.

COA Configuration Management

COA Configuration Management Service

Our configuration management service is responsible for the controlled installation of fixes, patches, and updates to COA applications. Using a COA Solutions resource to do this minimizes the risk of delays and disruption that can arise from unsuccessful installations.

The service is initiated with a remote audit of your COA Solutions applications comprising:

- Take a "base line" of test and live system (list all program version numbers)
- Document differences between test and live systems
- Record build differences to the standard COA Solutions build
- Establish configuration management records
- Explain the configuration management process

Thereafter the configuration management process will be delivered remotely as detailed below.

On receipt of the patch, fix, build or update the customer will email dba.support@coasolutions.com and request that the update be applied to the COA application. COA and the customer will agree a mutually convenient time to proceed.

All updates will firstly be applied to the test environment for the customer's staff to carry out their own acceptance testing in addition to the testing already undertaken by COA's Quality Assurance (QA) department. On completion of successful testing, the customer will authorise COA to promote the update to the live (production) and train environments.

A more detailed list of tasks is contained in appendix B

4 General Terms and Conditions

Access

It is assumed that full and timely access will be provided to Watford Borough Council and Three Rivers District Council's facilities, systems and information as required by Remote Technical Service consultants.

Education

Watford Borough Council and Three Rivers District Council's staff is assumed to have in depth knowledge of Watford Borough Council and Three Rivers District Council's business processes.

Working Hours

Working hours of COA Technical Service's team are between 9am and 5.30pm excluding weekends and English Bank Holidays. Overtime working will not be carried out unless mutually approved. Agreed working at weekends or English Bank Holidays will attract a premium day rate.

Office Space and Equipment

Watford Borough Council and Three Rivers District Council will endeavour to provide the COA Consultants with the following:

- An area suitable for work when on-site, including a desk, access to the eFinancials system and printing facilities.
- Access to a meeting room for project meetings or workshops when required with white board and/or flipchart.



Appendix A - Monthly Database Administration Service

MONTHLY DBA SERVICE TASKS	COA	Client	Comments	Example for Clarification
Database Administration				
Access to DBA resource any time during COA standard office hours	√			Requests for work can be submitted to a DBA between 9am and 5.30pm each working day, excluding English Bank and Public holidays. The request will be responded to in accordance with the urgency of the request.
Perform Initial Database Health Check and Summarise findings	√			Initial on site database health check and familiarisation with client's staff and site operations.
Monitor Table growth	√			If tables grow beyond the size specified to increase the space available to the table to ensure processing can continue. For example; max extents error
Monitor Index growth	√			If indexes grow beyond the size specified to increase the space available to the index to ensure processing can continue. For example: max extents error or poor performance.
Monitor Datafile free space	√			Data files must have enough available space to accommodate new data. For example: Failure to insert a record, For example a new invoice.
Monitor Rollback Segments	√			If there are not enough rollback segments or these are not sized correctly this can at worst halt the system, therefore would need to regularly check their performance and that they are correctly sized.
Monitor Table space Fragmentation	√			Without correction to a fragmented table space, a large enough portion of free space may not be available to the database; although the sum of free space shows sufficient space exists. Good housekeeping would regularly reduce fragmentation thus making best use of available disk space.
Monitor Redo Log usage	√			Redo logs must be sized correctly, incorrect sizing can result in poor system performance. This is often seen as poor application response times.
Determine Table Placement	√			For systems where disks are not RAID 0+1, but are configured as individual disks may need to spread the most popular tables/table spaces across available disks so as to avoid hot spots.
Check Database Log and trace files	√			Some errors that do not appear to the Client are reported in the Oracle error logs and trace files; these must be checked regularly to identify problems early.
Complete Database Administration Log file	√			Record changes and activities in Dial In report.
Create & Modify Table indexes as deemed necessary	√			COA DBA will tune the sizes to meet each the Client's processing requirements.
Resize Table spaces	√			As above
Resize/rebuild Tables	√			For example: COA DBA may rebuild a table that has reached several hundred extents and could be degrading system performance in a certain area of functionality.
Resize/rebuild Indexes	√			For example: COA DBA may rebuild an index where the leaf level has reached an unacceptable level and could be affecting performance.
Monitor Database Performance Ratios	√			COA DBA will sample performance statistics from the Oracle statistical tables; these provide an overview of system performance since the last database restart. These will be monitored regularly.
Tune database	√			When performance ratios fall below acceptable values,









MONTHLY DBA SERVICE TASKS	COA	Client	Comments	Example for Clarification
parameters in line with statistics collected				COA DBA will investigate and take corrective actions as appropriate to improve the system performance ratios.
Configure Oracle Auditing in Line with client site requirements	√			Where auditors require auditing of specific Oracle events, configure Oracle auditing accordingly.
Retrieve Oracle Auditing data as requested by client	√			Retrieve Oracle audit information as requested. Simple report format.
Update Test Service with Live Data	√			Copy the live data into the test database at users request.
Enable Oracle Archived Redo Logs	√			COA will always seek to switch on Archived redo logs where possible as this can aid system recovery in the event of a system failure. This requires a suitable disk and the agreement of the Client to jointly manage the process (see backup notes later).
Automate clear down of Archive Logs	√	√		For example, on Unix platforms it is common practise to script the deletion of archived redo logs that have been successfully backed up to tape. The Client's system administrator would prepare and execute this script as per COA's recommendation.
Run Oracle Traces as part of troubleshooting	√			If COA (or other vendor) requests an Oracle Trace, COA DBA can carry out this task at client's request.
Assist application vendors (eg) with database enquiries	√			As above
Manage User and system passwords	√	√		COA DBA can make amendment to system accounts and passwords on written request from the client.
Creation and maintenance of SQL queries.	√		Tasks requiring effort exceeding 3 hours may be chargeable.	COA DBA will construct simple SQL queries/reports on request from the Client. It is at 's discretion whether this will incur an extra charge. The decision will be based on expected effort to complete. Those exceeding 3 hours may attract an extra charge.
Oracle Patches				
Decision to apply Oracle patch	√			Oracle patches may be required to correct bugs in the oracle RDBMS or the FORMS. COA DBA will identify when Oracle patches are required.
Authorisation to apply Oracle patch		√		The client must authorise in writing if application of an Oracle patch is required.
Apply Oracle RDBMS/Forms Patches	√			COA DBA will apply the patch at a mutually convenient time to the test system; the Client will be responsible for testing the system and agreeing that the Oracle patch be promoted to the live (production) system/s.
Server Backups				
Advise and Assist with back-up procedures specific to Oracle Databases	√			Server backups are the responsibility of the client's system administrator. COA DBA will assist the client in achieving a consistent backup of the Oracle database by advising the Oracle procedures to be incorporated in backup script. For example: COA DBA will advise the client to shutdown the database before running a file system (data) backup. The client is expected to be able to execute a restore from a file system (data) backup. COA DBA would perform any necessary restore from Oracle export/RMAN etc.
Define and document backup procedure		√	Will assist in identifying backup solutions to meet business requirements.	The client shall ensure all data and operating system files are backed up to tape on a regular basis. The regularity of the backups will be dictated by the business requirements. For example, where the business can suffer no more than ½ day lost data - might in this scenario recommend the solution of online backups of the database be performed at lunch time each day and a cold backup (database closed) of the database be taken each evening.
Monitor successful backup		√		The client will check that backups work. For example, check block count, list contents of tape.
Manage backup records		√		The Client will record the success/failure of backups in a

MONTHLY DBA SERVICE TASKS	COA	Client	Comments	Example for Clarification
				log file. COA may periodically require confirmation of successful backup from the client. For example, prior to an Oracle upgrade.
Manage backup media rotation		√		The Client will decide how long to and where to retain backup tapes. For example, normal practice might be to retain daily incremental backups for 1 month and weekly full system backups for 12 months. Thus daily tapes cannot be rewritten to for 31 days. COA DBA may request access to such backups if system recovery is necessary.
Configure advanced backup/failover Oracle Technologies.				At the time of writing this includes RMAN, Standby databases and data guard. RAC is excluded. Please check with us for any other solution not listed here.
Remote Access				
Configuration of Remote Access for Server		√		Client will configure a method of access for to enable to dial in. eg: install and configure PC Anywhere on Servers
Define Access Requirement	√			COA DBA can advise the particular areas of the system that they will need access to. For example; d:\oracle
Document connection Process	√			COA DBA will document the connection process for team use.
Ensure availability of remote connection		√		The client must ensure COA can dial in as necessary.
Test Remote connection	√			COA DBA will test the remote connection once available and confirm it is suitable.
Permit and Restrict Remote access as applicable		√		The client reserves the right to restrict access as they see fit. However, should be made aware of the process in advance and the client shall acknowledge that restricted access may effect 's ability to provide the Remote DBA Service.
Users and Passwords				
Create Operating system user accounts		√		Operating system administration is the responsibility of the on-site (or 3 rd party), not COA.
Create Oracle user accounts		√		The client or COA can create oracle accounts in the database.
Request password changes		√		As above
Operating System				
Configure Operating system to accommodate Application	√	√	COA may recommend modifications to OS configuration	The Client or COA can carry out any specific requirements of the operating system for use by Oracle.
Monitor Disk Space		√		The Client will ensure adequate disk space is available to the users, COA's database etc.
Apply Operating System patches		√		The Client will apply operating system (OS) patches as necessary; however, prior to installation the Client must confirm with COA that the OS patch is compatible with Oracle version.
Make recommendations for improved configuration				COA may suggest improved configurations where they feel the current configuration is negatively impacting the system. For example, COA may request additional disk be installed or may request an operating system patch be installed.
Maintain systems log of changes made		√		The Client should hold complete configuration control and change management records. COA may need access to these records.
Create Operating System Accounts		√		The Client's system administrator will create and maintain any operating system user accounts.
Install Server Printers		√	Client to provide driver software For printers.	
Install client printers		√		Printers attached to user PCs will be installed and supported by the Client.
Troubleshoot Server		√		As above

MONTHLY DBA SERVICE TASKS	COA	Client	Comments	Example for Clarification
Printers				
Run diagnostics		√		As above
Check Error logs		√		Error logs not associated with Oracle are the Client's responsibility. These should be checked prior to calling COA in the event of problems. For example, system down
General Housekeeping – clear down reports > x weeks old, deleting mail (UNIX only)		√		The Client is responsible for operating system housekeeping. For example, deleting old files that are no longer required, for checking operating system error logs daily etc
Clear down event logs (NT only)		√		The Client should clear down the NT event log; otherwise this can consume all available disk space which will in turn stop the system.
Disk Management		√		The Client (or 3 rd party) is responsible for the health of the disks installed in the Servers. For example, the Client's own site staff should investigate a disk light flashing orange as this may be reporting disk corruption.
Manage System Backups		√	Client will maintain tapes	
Performance Monitoring and tuning		√		The performance tuning of the operating system is the Client's responsibility. For example, adding additional swap space when more memory is installed.
Financials / Efinancials Specific Tasks				
Define Server printers to Application	√	√	Financials v8.x	
Create application user accounts in security editor		√		
Assistance in troubleshooting Link and Load problems	√	√		Link and Load functionality uses Oracle; therefore, in the event of Oracle errors COA would assist in the troubleshooting this process.
Installation of Application Patches		√	This can be purchased separately from COA Solutions	Please ask about COA's Configuration Management Service if this task is unable to be resourced by internal staff.

Quotes below obtained from <http://www.paritytraining.com>

Oracle 10g/11g Courses

Course Title	Code	Duration	See Key For Details	Course Price	
Oracle 10g Application Server	O10GAS	5 days		£1,695	Book
Oracle Database 10g DBA using Enterprise Manager	O10GDBA	2 days		£725	Book
Oracle Database 10g DBA Backup & Recovery with RMAN	O10GDBABR	3 days		£995	Book
Oracle Database 10g DBA - Part II	O10GDBAII	5 days		£1,595	Book
Oracle Database 10g DBA - Part 1	O10GDBAI	5 days		£1,595	Book
Oracle Database 10g DBA Performance & Tuning	O10GDBAPT	4 days		£1,395	Book
Oracle Database 10g Data Guard	O10GDG	3 days		£995	Book
Oracle Database 10g Managing Oracle on Linux for DBAs	O10GMOL	2 days		£725	Book
Oracle 10g RAC Configuration & Administration	O10GRAC	5 days		£1,995	Book
Oracle 10g SQL Performance Tuning	O10GSPT	2 days		£725	Call Us
Oracle Database 11g for Experienced 10g Database Administrators	O11G10	5 days		£1,795	Book
Oracle Discoverer for Administration	ODM	3 days		£995	Book
Oracle 10g Discoverer Plus For End Users	ODPE-STA	2 days		£695	Book
Oracle 10g Discoverer Plus For End Users	ODPE-STA	2 days		£695	Book
Solaris 10 for Experienced Solaris System Administrators	SFT	2 days		£795	Book

*List price includes exam fees if applicable but excludes accommodation fees for residential courses

Key

 Residential  Classroom  e-Learning  Hot Deals  Includes Exam  e-Books

Agenda Item 8

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 28 June 2010

PART A

AGENDA ITEM

8

Title: ANNUAL GOVERNANCE STATEMENT 2009/10

Report of: Head of Finance Shared Services

1. **SUMMARY**

1.1 This report enables the Committee to agree the Annual Governance Statement (AGS) for inclusion in the Statement of Accounts.

2. **RECOMMENDATIONS**

2.1 That the Committee considers and approves the Annual Governance Statement attached as Appendix 1 for inclusion in the Statement of Accounts.

Contact Officer:

For further information on this report please contact:

Alan Power, Head of Finance Shared Services

telephone number: 01923 727196

email: alan.power@watford.gov.uk

Report approved by:

David Gardner – Director of Resources and Governance – Three Rivers DC

3. DETAILED PROPOSAL

3.1 *The Accounts and Audit Regulations (England) 2003* as amended by *The Accounts and Audit (Amendment) (England) Regulations 2006* requires the Three Rivers and Watford Shared Services Joint Committee to:-

- Ensure that it has a sound system of internal control;
- Conduct a review at least once a year of the effectiveness of its system of financial control;
Consider the findings of the review (either at a committee meeting or at Council) and, following that consideration, approve a statement on internal control (SIC) prepared in accordance with proper practices, and,
- Include the SIC with the Statement of Accounts.

3.2 In June 2007, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) published the Framework *Delivering Good Governance in Local Government*. This recommended that the review of the effectiveness of the system of internal control should be reported in an Annual Governance Statement. The Framework informed authorities in England that its provisions were mandatory from 2007/08.

3.3 The 2008 *Code of Practice on Local Authority Accounting in the UK – Statement of Recommended Practice* (SORP) states that the preparation of an Annual Governance Statement in accordance with *Delivering Good Governance in Local Government* fulfils the statutory requirement for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review in its Statement of Accounts.

3.4 The SORP and the CIPFA/SOLACE Framework say that the AGS should include the following information:-

- An acknowledgement of responsibility for ensuring there is a sound system of governance incorporating the system of internal control
- An indication of the level of assurance that the systems and processes that comprise the Council's governance arrangements can provide
- A brief description of the key elements of the governance framework, including reference to group activities where the activities are significant

A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of

- The Council
- The Executive
- The Audit Committee
- The Scrutiny Function
- The Standards Committee
- Internal Audit
- Other explicit review / assurance mechanisms

An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.

3.5 It is important that there is corporate involvement in, and ownership of, the process for preparing the Annual Governance Statement, and members will note that assurances have been sought from all service heads in both Councils, including those responsible for shared services.

3.6 The proposed AGS for 2009/10 is attached at Appendix 1.

4. **IMPLICATIONS**

4.1 **Policy**

4.1.1 The recommendations in this report are within the Councils' agreed policy and budgets. The Councils' commitment to good governance is included in their Local Code of Corporate Governance.

4.4 **Risk Management and Health & Safety**

4.4.1 There are no risks associated with the decision Members are being asked to make. Internal controls are designed to minimise the risks to the Council.

4.5 **Equalities**

4.5.1 *Relevance Test*

Has a relevance test been completed for Equality Impact? No

There is no proposed change to the shared services.

4.6 **Financial, Legal, Staffing, Accommodation, Community Safety, Sustainability & Environment, Communications & Website and Customer Services**

4.6.1 None specific.

Background Papers

Three Rivers report to Audit Committee on 31 March 2010 - *Audit & Internal Control – Annual Governance Statement 2009/10*

Watford Borough report to Audit Committee 30 June 2010 - *Annual Governance Statement*

'Delivering Good Governance in Local Government – Framework' : Solace / CIPFA

'Delivering Good Governance in Local Government – Guidance Note for English Authorities' : Solace / CIPFA

Local Code of Corporate Governance – Three Rivers District Council

Local Code of Corporate Governance – Watford Borough Council

ANNUAL GOVERNANCE STATEMENT**1. Scope of Responsibility**

The Three Rivers and Watford Shared Services Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Joint Committee is responsible for putting in place proper arrangements for the governance of affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Three Rivers District Council and Watford Borough Council have approved and adopted codes of corporate governance, which are consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework 'Delivering Good Governance in Local Government'. Copies of both codes can be found on the websites for Three Rivers (<http://www.threerivers.gov.uk/Default.aspx/Web/CorporateGovernance>) and Watford (<http://www.watford.gov.uk/ccm/content/finance/local-code-of-corporate-governance.en>) or be obtained from the councils.

These statements explain how the Councils have complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework described in the reports to Audit Committees in Appendix 1 for Three Rivers and Appendix 2 for Watford have been in place at the Councils for the year ended 31 March 2010 and up to the date of approval of the statement of accounts.

3. The Governance Framework

The key elements of the systems and processes that comprise the authority's governance arrangements are:-

- Identifying and communicating the Councils' vision of the Shared Services Joint Committee's purpose and intended outcomes for citizens and service users.
- Reviewing the Council's vision and its implications for the governance arrangements of the Shared Services Joint Committee.
- Measuring the quality of services for users and ensuring they are delivered in accordance with the Joint Committee's objectives for ensuring they represent the best use of resources.
- Defining and documenting roles and responsibilities of the Joint Committee and officer functions with clear delegation arrangements and protocols for effective communication.
- Developing, communicating and embedding codes of conduct for standards of behaviour for members and staff.
- Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes which clearly define how decisions are taken and the process and controls to manage risks.
- Undertaking the core functions of an audit committee as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful
- Whistle-blowing and arrangements for receiving and investigating complaints from the public
- Identifying the development needs of members and senior officers
- Establishing clear channels of communication with all sections of the community
- Incorporating good governance arrangements in respect of partnerships

4. Review of Effectiveness

The Joint Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Councils have procedures in place to ensure the maintenance and review of the effectiveness of the governance frameworks which includes reports to and reviews by the following –

- The Audit Committee of Three Rivers, the Audit Committee of Watford and the Standards Committee of each Council.
- Internal Audit and External Audit

- Other review / assurance mechanisms

5. Significant Governance Issues

5.1 *Three Rivers District Council*

The Council proposes over the coming year to take steps to address the following matters to further enhance its governance arrangements. It is satisfied that these steps will address the need for improvements that were identified in its review of effectiveness and will monitor their implementation and operation through regular reporting to the Audit Committee.

<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to date / Action Required</i>	<i>Resolved</i>	<i>Original Implementation Date</i>
The Business Continuity Plan should be regularly tested and particularly in respect of Shared Services	Medium	Emergency Planning & Risk Manager		x	March 2011
Committees should undertake periodic reviews of their own effectiveness.	Medium	Democratic Services Manager		x	March 2011
The Audit Committee should continue to receive progress reports from officers on the implementation of internal audit, external audit and other inspectors' recommendations.	High	Heads of Service		x	March 2011
The introduction of new International Financial Reporting Standards should be monitored by members	High	Head of Finance		x	March 2011

5.2 **Watford Borough Council**

The Council proposes over the coming year to take steps to address the following matters to further enhance its governance arrangements. It is satisfied that these steps will address the need for improvements that were identified in its review of effectiveness and will monitor their implementation and operation through regular reporting to the Audit Committee.

No.	Issue	Action	Lead	Update
1	Revenues and Benefits reconciliations between ICT systems urgently need to be addressed both for 2009/2010 and going forward.	Staff resource needs to be dedicated to carrying out these reconciliations if the Council is to close its accounts on time and also avoid significant clawback of housing benefit subsidy. BY: Immediate	Head of Revenues and Benefits Shared Services.	Progress is extremely slow and this is a major concern both reputationally and financially.
2	Revenues and Benefits brought forward figures from the previous software system to the new Academy system need to be fully reconciled.	Staff resource (or external agency help) needs to be dedicated to this task. By: Immediate	Head of Revenue and Benefits Shared Services	Progress is slow and, if not achieved, will result in claw back of housing subsidy.
3	Full controls need to be implemented within the new Northgate Payroll system.	Inevitable teething problems have resulted in initial errors. Full procedure notes need to be established. By 30/6/10	Head of Human Resources Shared Services	Considerable progress has been made
4	The ICT Operating platforms need to be more robust.	The resilience of the system is unreliable and has caused considerable downtime. By 30/9/2010	Head of ICT Shared Services	A programme of necessary improvements has been established.
5	Business Continuity Planning needs to be given a higher profile with more 'scenario' exercises being carried out.	Recent failures of area and local networks has highlighted the authority's dependence upon ICT systems being available. By: 30/9/2010	Head of Strategic Finance (as lead officer for Risk Management) and Leadership Team.	Scenario Planning exercises need to be scheduled during the summer months.

Signed _____ Chairman of the Three Rivers and Watford Shared
Services Joint Committee
Andy Wylie

Date: 28 June 2010

Signed _____ Chief Executive, Three Rivers District Council
Dr Steven Halls

Date: 28 June 2010

Agenda Item 9

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 28 June 2010

PART A

AGENDA ITEM

9

Title: STATEMENT OF ACCOUNTS 2009/10

Report of: Head of Finance (Shared Services)

1. **SUMMARY**

1.1 This report allows members to ask questions about the Joint Committee's Statement of Accounts for 2009/10 and recommends their approval.

2. **RECOMMENDATIONS**

2.1 That the Committee seeks any clarification it needs concerning the Statement of Accounts for 2009/10,

2.2 That the Committee notes the accounting policies adopted, and,

2.3 That the Statement of Accounts for 2009/10 be approved.

Contact Officer:

For further information on this report please contact:

Alan Power – Head of Finance – Shared Services

telephone number: 01923 727196

email: alan.power@threerivers.gov.uk

Report approved by:

David Gardner – Director of Corporate Resources & Governance – Three Rivers D.C.

3. DETAILED PROPOSAL

- 3.1 The Joint Committee's Statement of Accounts for 2009/10 has been circulated as a separate document. **Members are asked to bring it to the meeting.** The Statement is subject to external audit.
- 3.2 The Joint Committee Agreement requires an annual account of income and expenditure to be supplied to the Joint Committee. Under the Accounts and Audit Regulations 2003, joint committees must prepare accounts in accordance with proper practices. Where annual expenditure is more than £1 million, these practices are set out in the 2009 Statement of Recommended Practice (SORP) to the Code of Practice on Local Authority Accounting.
- 3.3 The Audit Commission Act 1998 requires the Commission to appoint an auditor to carry out the audit of the accounts of "a committee of a local authority, including a joint committee of two or more such authorities".
- 3.4 As there is no 'lead' authority, the Audit Commission has written to both councils to propose that it appoints Grant Thornton (UK) LLP to audit the accounts of the joint committee.
- 3.5 These are the first financial statements for Shared Services. The SORP for 2009 recommends a number of changes to the Statement of Accounts. Those having the impact on the Financial Statement for Shared Services are:-
- The responsible financial officer is required to certify the accounts present a true and fair view in recognition of the convergence of local authority accounting requirements with UK GAAP
- 3.6 Financial Reporting Standard 18 requires the Joint Committee to adopt the accounting policies most appropriate to its particular circumstances for the purpose of giving a true and fair view.

4. IMPLICATIONS

4.1 Policy

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

4.2 Financial

- 4.2.1 Contained in the Statement of Accounts.

4.3 Legal Issues (Monitoring Officer)

- 4.3.1 None specific to this report.

4.4 Risk Management and Health & Safety

- 4.4.1 There are no risks associated with the decision members are being asked to take.

4.5 Equalities

- 4.5.1 *Relevance Test*

Has a relevance test been completed for Equality Impact?

No

There is no proposed change to the shared services.

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

4.6.1 None Specific

Appendices

None

Background Papers

Three Rivers & Watford Shared Services Joint Committee - Statement of Accounts 2009/10

The Code of Practice on Local Authority Accounting and 2009 Statement of Recommended Practice (SORP) to

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The Three Rivers & Watford
Shared Services Joint Committee

Statement Of Accounts
2009/2010

Subject to Audit

THE THREE RIVERS AND WATFORD SHARED SERVICES JOINT COMMITTEE

STATEMENT OF ACCOUNTS 2009/2010

EXPLANATORY FOREWORD

1. Introduction

The purpose of the Statement of Accounts is to provide information to interested parties on the ways the Three Rivers and Watford Shared Services Joint Committee has utilised financial and other resources available to it in the provision of services to Three Rivers and Watford councils. The Shared Services arrangement commenced on the 1 April 2009 for the provision of Finance, Human Resources, ICT and Revenues & Benefits and as such, there are no comparative figures for the previous year.

This foreword gives a brief explanation of what is included within the Statement of Accounts, as well as providing a summary of the main financial results for 2009/10.

Page	Details
1	Statement of Accounting Policies The statement explains the basis upon which the figures in the accounts have been prepared. Explanatory notes are appended to the accounts where appropriate.
2	Income and Expenditure Account The account summarises the resources that have been generated and consumed in providing services and managing the Council during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.
2	Statement of Total Recognised Gains and Losses This statement brings together all the gains and losses of the Council for the year and shows the aggregate increase in its net worth. In addition to the surplus generated on the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and the re-measurement of the net liability to cover the cost of retirement benefits.
3	The Balance Sheet The Balance Sheet represents the Council's overall financial position. In addition to containing the revenue balances and reserves at the Council's disposal, it shows its long-term indebtedness and the fixed and net current assets employed in its operations.
3	The Cash Flow Statement The Cash Flow Statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.
4	Notes to the Core Financial Statements These notes explain in more detail the contents of the core financial statements above.
6	The Statement of Responsibilities for the Statement of Accounts This statement sets out the respective responsibilities of the Council and its Director of Corporate Resources and Governance for the Statement of Accounts.
7	Annual Governance Statement This statement is required by <i>The Accounts and Audit Regulations (England) 2003</i> .

The Joint Committee is required to prepare 'group accounts' where there are significant interests in other organisations. It has carried out a review and determined that no other organisations exist that would require group accounts to be prepared.

2. Accounting Framework

The Joint Committee is obliged to comply with an accounting framework backed by legislation. The Chartered Institute of Public Finance and Accountancy produces a Statement of Recommended Practice (SORP) which reflects the statutory requirements.

3 Changes in Functions

There have been no significant changes in functions of Shared Services during 2009/10.

4. Revenue Activities

Revenue Out-turn 2009/2010

Revenue expenditure is the day-to-day expenditure incurred by the Councils to deliver shared services. Total revenue expenditure amounted to £7.2m. The Three Rivers and Watford Shared Services Joint Committee is not a separate legal entity and does not have capacity to enter into contracts of employment or contracts for goods and services. The Joint Committee has no employees, assets or liabilities - these are the responsibility of the constituent councils. Shared Services costs and incomes are reported separately to the Joint Committee for management, performance and accounting purposes.

Comparison of the revised budget with the out-turn for each of the shared services:-

	2009/2010 Revised Estimate £000s	2009/2010 Out-turn £000s	2009/2010 Variance £000s
ICT	1,802	1,796	(6)
Finance	1,681	1,698	17
Human Resources	823	844	21
Revenues & Benefits	2,781	2,869	88
	<u>7,087</u>	<u>7,207</u>	<u>120</u>

Comparison of the revised budget with the out-turn analysed against the CIPFA subjective classification:-

	2009/2010 Revised Estimate £000s	2009/2010 Out-turn £000s	2009/2010 Variance £000s
Employees	5,548	5,564	16
Premises	0	2	2
Transport	52	28	(24)
Supplies and Services	1,166	1,175	9
Agency and Contracted	543	628	85
Income	(221)	(189)	31
	<u>7,087</u>	<u>7,207</u>	<u>120</u>

Comparison of the income from the partner councils in the revised budget with the out-turn:-

	2009/2010 Revised Estimate £000s	2009/2010 Out-turn £000s	2009/2010 Variance £000s
Three Rivers District Council	2,797	2,848	51
Watford Borough Council	4,291	4,359	68
	<u>7,087</u>	<u>7,207</u>	<u>120</u>

The variance between the expenditure and the revised budget agreed in December 2009 results predominantly from the employment of additional benefits assessors to address an increasing workload.

5 **Future Revenue Expenditure & its Funding**

Expenditure on the services is under the control of the partner councils. The four shared services reported their estimated net expenditure for the three financial years from 2010/11 to the Joint Committee in December 2009. These estimates were agreed and incorporated into the partner councils medium term financial plans. The Joint Committee receives quarterly financial and performance monitoring reports. Arrangements are in place to refer variances to the councils.

6. **Governance**

This Statement of Accounts is one way in which the Three Rivers and Watford Shared Service tries to demonstrate that it is making good use of public funds and providing value for money. The Councils are constantly looking to improve financial management and internal control within the Shared Services arrangement. The Audit Commission carries out value for money reviews in partner councils as part of their reporting.

7. **Further Information**

Further information on the joint service accounts is available from the Head of Finance (Shared Services) based at Three Rivers Council Offices, Northway, Rickmansworth, Herts., WD3 1RL. Information on both councils policies, their Medium Term Financial Plans and Statements of Accounts can be found on their websites or in hard copy by request. Please visit www.threerivers.gov.uk and www.watford.gov.uk

Alan Power
Head of Finance
 Shared Services
 28 June 2010

STATEMENT OF ACCOUNTING POLICIES

The Statement of Accounting Policies explains the basis for the recognition, measurement and disclosure of transactions and other events in the Accounts.

1. General Principles

The Accounts have been prepared in accordance with *The Accounts and Audit Regulations 2003* and *The Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice (SORP)* issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) together with guidance notes issued by CIPFA on the application of Accounting and Financial Reporting Standards (FRS).

2. Debtors and Creditors, Income and Expenditure

The accounts of the Council are shown on an accruals basis in accordance with the SORP. That is to say, actual expenditure and income incurred during the year is recorded in the accounts, rather than the cash sums paid or received. Where actual costs are not available, accruals are made on a best estimate basis.

3. Support Services

The policies adopted for Shared Services by Three Rivers and Watford Councils is to charge costs directly to partner councils.

4. Basis of Preparation

No separate accounting records are kept by the Shared Services Joint Committee. As a result the accounts have been prepared from the records maintained by Three Rivers District Council and Watford Borough Council.

5. Value Added Tax

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenues and Customs and all VAT paid is recoverable from them.

VAT has been included in the income and expenditure accounts only to the extent that it is irrecoverable.

INCOME AND EXPENDITURE ACCOUNT

This account summarises the resources that have been generated and consumed in providing services and managing the Shared Service during the last year. It includes all day-to-day expenses and related income on an accruals basis.

	2009/2010		
	Gross Expenditure £000s	Gross Income £000s	Net Expenditure /(Income) £000s
Services			
Local Tax Collection	1,490	(154)	1,336
Housing Benefits	1,533	0	1,533
Central Support Services (HR, Finance & ICT)	4,373	(35)	4,338
NET COST OF SERVICES/	7,396	(189)	7,207
NET OPERATING EXPENDITURE			
Income from Three Rivers District Council			(2,848)
Income from Watford Borough Council			(4,359)
(SURPLUS)/DEFICIT FOR THE YEAR			0

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

The Income and Expenditure Account (I&E) shows the Joint Committee's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. Each Council is required to raise Council Tax on a different accounting basis.

There are no adjustments required to the Shared Service Income and Expenditure Account before consolidation into the accounts of each Council's General Fund Balances.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

This statement brings together all the gains and losses of the Joint Committee for the year and shows the aggregate increase in its net worth. There are no recognised gains or losses for the Joint Committee

BALANCE SHEET AS AT 31 MARCH 2010

	Note	31 March 2010	
		£000s	£000s
Current Assets			
Debtors	3	77	
Cash & Bank (Three Rivers District Council)		47	124
Current Liabilities			
Creditors	4	(94)	
Bank Overdrawn (Watford Borough Council)		(30)	(124)
Total Assets Less Liabilities			0
Financed By			
Revenue Fund Balance			0

Andy Wylie
 Chairman
 Three Rivers and Watford
 Shared Services Joint Committee
 Date: 28 June 2010

Alan Power
 Head of Finance
 Shared Services

Date: 28 June 2010

CASH FLOW STATEMENT

This statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

	2009/2010 £000s
Revenue Activities	
Cash Outflows	
Operating Cash Payments	7,302
Cash Inflows	
Cash Received for Goods And Services	(7,319)
(Increase)/Decrease In Cash	(17)

NOTES TO THE CORE FINANCIAL STATEMENTS

1. Local Authorities Goods and Services Act 1970

The Shared Service provides HR support to the West Herts Crematorium Joint Committee. The income received in 2009/10 was £5,200.

2. Related Parties

The Shared Service is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Joint Committee or to be controlled or influenced by the Joint Committee. Disclosure of these transactions in this Statement of Accounts allows the readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee.

A related party transaction is the transfer of assets or liabilities or the performance of services by, to, or for a related party irrespective of whether a charge is made.

Related parties to the Joint Committee would include:

- ◆ central government;
- ◆ local authorities and other bodies precepting or levying demands on the council tax;
- ◆ its councillors;
- ◆ its chief officers; and
- ◆ its pension fund.

The Three Rivers and Watford Shared Services Joint Committee has been established under the Local Government Act 1972 and the Local Government Act 2000. The Agreement between the two councils was to establish and facilitate the joint delivery of certain functions in accordance with the terms of the Agreement. The Joint Committee is empowered to arrange for the discharge of these functions. Three Rivers and Watford councils have each nominated three Members with full voting rights to the Joint Committee.

3. Debtors

	Balance at 31 March 2010 £000s
Sundry Debtors	77
	77

There is no provision for bad debts, as all of the debts are less than a year old.

The Shared Service considers that the carrying amount of trade and other debtors approximates to their fair value.

NOTES TO THE CORE FINANCIAL STATEMENTS

4. Creditors

	Balance at 31 March 2010 £000s
Sundry and Other Creditors	94
	94

Sundry and Other Creditors are the Shared Service's trade creditors and payments in advance.

5. Disclosure of Audit Costs

In 2009/10 the Joint Committee incurred the following Audit Commission fees relating to external audit

	2009/2010 £000s
Audit Fees	11
	11

6. Authorisation Of The Accounts For Issue

The Statement of Accounts will be authorised for issue by Alan Power, the Shared Services Finance Officer in June 2010

7. Events After The Balance Sheet Date

There are no post balance sheet events requiring disclosure. In determining if an event requires disclosure consideration has been given to events occurring up until 30 June 2010.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The CIPFA/LASAAC *Code of Practice on Local Authority Accounting in The United Kingdom* (the Code of Practice) reflects the requirements of the *Accounts and Audit Regulations 2003 and 2005 respectively*. The Joint Committee must provide a Statement of Responsibilities for the Statement of Accounts which sets out the responsibilities of the Joint Committee and the Finance Officer for the Accounts.

The Joint Committee's Responsibilities

The Joint Committee is required:

- (a) To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For the Shared Services Joint Committee the Finance Officer is the Head of Finance for Shared Services.
- (b) To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- (c) To approve this Statement of Accounts.

Councillor Andy Wylie
Chairman of Three Rivers and Watford
Committee Shared Services Joint Committee
Date: 28 June 2010

The Finance Officer's Responsibilities

The Joint Committee's Finance Officer is responsible for the preparation of the Joint Committee's Statement of Accounts in accordance with proper practices as set out in the Code of Practice.

In preparing this Statement of Accounts the Head of Finance Shared Services has:

- (a) Selected suitable accounting policies and then applied them consistently;
- (b) Made judgements and estimates that were reasonable and prudent;
- (c) Complied with the Code of Practice (except where disclosed otherwise);
- (d) Kept proper accounting records which were up to date; and
- (e) Taken reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATE OF THE FINANCE OFFICER

I certify that this Statement of Accounts gives a true and fair view of the financial position of the Joint Committee at 31 March 2010 and its income and expenditure for the year ended 31 March 2010.

Alan Power
Finance Officer
Head of Finance
Shared Services

Date: 28 June 2010

ANNUAL GOVERNANCE STATEMENT

1. Scope of Responsibility

The Three Rivers and Watford Shared Services Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Joint Committee is responsible for putting in place proper arrangements for the governance of affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Three Rivers District Council and Watford Borough Council have approved and adopted codes of corporate governance, which are consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework 'Delivering Good Governance in Local Government'. Copies of both codes can be found on the websites for Three Rivers

<http://www.threerivers.gov.uk/Default.aspx/Web/CorporateGovernance>

and Watford

<http://www.watford.gov.uk/ccm/content/finance/local-code-of-corporate-governance.en>

or be obtained from the councils.

These statements explain how the Councils have complied with the code and also meet the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Joint Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework described in the reports to Audit Committees for Three Rivers and for Watford have been in place at the Councils for the year ended 31 March 2010 and up to the date of approval of the statement of accounts.

3. The Governance Framework

The key elements of the systems and processes that comprise the Joint Committee's governance arrangements are:-

- Identifying and communicating the vision of the Shared Services Joint Committee's purpose and intended outcomes for citizens and service users.
- Reviewing the Council's vision and its implications for the governance arrangements of the Shared Services Joint Committee.
- Measuring the quality of services for users and ensuring they are delivered in accordance with the Joint Committee's objectives for ensuring they represent the best use of resources.
- Defining and documenting roles and responsibilities of the Joint Committee and officer functions with clear delegation arrangements and protocols for effective communication.
- Developing, communicating and embedding codes of conduct for standards of behaviour for members and staff.
- Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes which clearly define how decisions are taken and the process and controls to manage risks.
- Undertaking the core functions of an audit committee as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- Whistle-blowing and arrangements for receiving and investigating complaints from the public.
- Identifying the development needs of members and senior officers.
- Establishing clear channels of communication with all sections of the community.
- Incorporating good governance arrangements in respect of partnerships

4. Review of Effectiveness

The Joint Committee has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Councils have procedures in place to ensure the maintenance and review of the effectiveness of the governance frameworks which includes reports to and reviews by the following:-

- The Audit Committee of Three Rivers, the Audit Committee of Watford and the Standards Committee of each Council.
- Internal Audit and External Audit.
- Other review / assurance mechanisms.

5. Significant Governance Issues

5.1 Three Rivers District Council

The Council proposes over the coming year to take steps to address the following matters to further enhance its governance arrangements. It is satisfied that these steps will address the need for improvements that were identified in its review of effectiveness and will monitor their implementation and operation through regular reporting to the Audit Committee.

<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to date / Action Required</i>	<i>Resolved</i>	<i>Original Implementation Date</i>
The Business Continuity Plan should be regularly tested and particularly in respect of Shared Services	Medium	Emergency Planning & Risk Manager		x	March 2011
Committees should undertake periodic reviews of their own effectiveness.	Medium	Democratic Services Manager		x	March 2011
The Audit Committee should continue to receive progress reports from officers on the implementation of internal audit, external audit and other inspectors' recommendations.	High	Heads of Service		x	March 2011
The introduction of new International Financial Reporting Standards should be monitored by members.	High	Head of Finance		x	March 2011

5.2 Watford Borough Council

The Council proposes over the coming year to take steps to address the following matters to further enhance its governance arrangements. It is satisfied that these steps will address the need for improvements that were identified in its review of effectiveness and will monitor their implementation and operation through regular reporting to the Audit Committee.

No.	Issue	Action	Lead	Update
1	Revenues and Benefits reconciliations between ICT systems urgently need to be addressed both for 2009/2010 and going forward.	Staff resource needs to be dedicated to carrying out these reconciliations if the Council is to close its accounts on time and also avoid significant clawback of housing benefit subsidy. By: Immediate	Head of Revenues and Benefits Shared Services.	Progress is extremely slow and this is a major concern both reputationally and financially.
2	Revenues and Benefits brought forward figures from the previous software system to the new Academy system need to be fully reconciled.	Staff resource (or external agency help) needs to be dedicated to this task. By: Immediate	Head of Revenue and Benefits Shared Services	Progress is slow and, if not achieved, will result in claw back of housing subsidy.
3	Full controls need to be implemented within the new Northgate Payroll system.	Inevitable teething problems have resulted in initial errors. Full procedure notes need to be established. By: 30/6/10	Head of Human Resources Shared Services	Considerable progress has been made
4	The ICT Operating platforms need to be more robust.	The resilience of the system is unreliable and has caused considerable downtime. By: 30/9/2010	Head of ICT Shared Services	A programme of necessary improvements has been established.
5	Business Continuity Planning needs to be given a higher profile with more 'scenario' exercises being carried out.	Recent failures of area and local networks has highlighted the authority's dependence upon ICT systems being available. By: 30/9/2010	Head of Strategic Finance (as lead officer for Risk Management) and Leadership Team.	Scenario Planning exercises need to be scheduled during the summer months.

Signed _____
Andy Wylie

Chairman of the Three Rivers and Watford
Shared Services Joint Committee

Signed _____
Dr Steven Halls

Chief Executive
Three Rivers District Council

Date: 28 June 2010

Independent auditor's report to the Members of Three Rivers District Council

The next two pages are left intentionally blank for inclusion of the independent auditor's report.

GLOSSARY

Accounting Period

The period of time covered by an authority's accounts, normally twelve months, beginning on 1 April. Also known as the Financial Year.

Accounting Policies

The principles, bases, conventions, rules and practices applied that specify how the effects of transactions and other events are reflected in the financial statements.

Accrual

A sum included in the final accounts attributable to that accounting period but for which an actual payment is yet to be made or income received. Accruals are made for revenue and capital expenditure and income.

Asset

An item having measurable value in monetary terms. Assets can be defined as fixed or current. A fixed asset has use and value for more than one year where current assets can be readily converted into cash.

Asset Register

A list of all fixed assets such as land, houses, other buildings, parks, vehicles and computers.

Audit Commission

The body responsible for appointing external auditors to local authorities and for setting the standards that those auditors are required to follow. The Commission will also carry out studies designed to promote the effective and efficient provision of local authority services.

Capital Expenditure

Expenditure incurred in relation to fixed assets. Expenditure may be classified as capital where it enhances the related property, where enhancement is defined as an action which either -

Lengthens the asset's useful life, or

Increases the asset's open market value, or

Increases the extent to which the asset may be used for the purposes of the local authority.

Central Support Services

These are functions that provide support to service departments. They include accountancy, internal audit, information technology, human resources, general administration and office accommodation.

CIPFA

The Chartered Institute of Public Finance and Accountancy. It is the professional body for public sector accountants.

Contingency

A sum included in the revenue budget to cover unexpected expenditure during the accounting period. An example of such an event would be an exceptional price increase not anticipated at the time the budget was constructed.

Corporate and Democratic Core

Comprises the activities engaged in specifically as an elected multi-purpose authority. They are over and above those which would be incurred by a series of independent single-purpose body managing the same services.

Council Tax

A local tax set by local authorities in order to meet their budget requirements. There are eight Council Tax bands (Band A to Band H); the amount of Council Tax each household pays depends on the value of their homes.

Creditors

Amounts owed by an authority for works done, goods received or services rendered before the end of an accounting period, but for which actual payments had not been made by the end of that accounting period.

DCLG

The Department for Communities and Local Government.

Debtors

Amounts due to an authority for works done, goods supplied or service rendered before the end of an accounting period, but for which actual payments had not been received by the end of that accounting period.

Depreciation

The theoretical loss in value of an asset due to age, wear and tear, deterioration or obsolescence.

Exceptional Items

Material items that derive from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence.

External Audit

The auditor is appointed by the Audit Commission and is required to verify that all statutory and regulatory requirements have been met during the production of the authority's accounts. There is also a requirement to review the arrangements in place to ensure the economic and effective use of resources.

Extraordinary Items

Material items that derive from events or transactions that fall outside the ordinary activities of the authority.

FRS

A statement of accounting practice issued by the Accounting Standards Board in the UK.

General Fund

The common name for the account which accumulates balances for all services except Housing Revenue.

Liability

An amount owed by an authority that will be paid at some time in the future.

Outturn

Actual income and expenditure in an accounting period.

Reserves

This is the accumulated surplus income (in excess of expenditure), which can be used to finance future spending.

Revenue Contributions to Capital Outlay (RCCO)

The use of revenue resources to finance capital expenditure. Also referred to as direct revenue financing or capital expenditure financed from the revenue account.

Revenue Expenditure

Expenditure on day-to-day running costs such as salaries, heating, printing and stationery and debt charges. Revenue items will either be expended immediately, like salaries, or within one year of purchase.

Revenue Support Grant

The Government Grant provided by DCLG, which is based on the Government's assessment as to what should be spent on local services. The amount is fixed in advance for each financial year.

Stocks

Comprise the following categories; goods or other assets purchased for resale; consumable stores; raw materials and components purchased for incorporation into products for sale; products and services in intermediate stages of completion; long term contract balances and finished goods.

UK GAAP

The Generally Accepted Accounting Principles in the UK are the overall body of regulation establishing how company accounts must be prepared in the UK.

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