

THREE RIVERS DISTRICT COUNCIL AND WATFORD BOROUGH COUNCIL

At a meeting of the **Three Rivers and Watford Shared Services Joint Committee** held in the Watford Town Hall, on 13 September 2010 7.30 pm to 9.50 pm

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

Officers: David Gardner - Director of Corporate Resources and Governance
Tricia Taylor - Executive Director Resources
Alan Power - Head of Finance
Avni Patel - Head of ICT
Phil Adlard - Head of Revenue and Benefits
Dot Reynolds - Finance Manager
Chris Fagan - Committee Manager

An apology for absence was received from Terry Baldwin, Head of HR.

Also in attendance: Watford Borough Councillor Malcolm Meerabux and Messrs Paul Dossett and Richard Lawson of Grant Thornton, External Auditors.

JSS11/10 **DISCLOSURES OF INTEREST**

None

JSS12/10 **MINUTES**

The Minutes of the meetings of the Joint Shared Services Committee held on 28 June 2010 were confirmed as a correct record and were signed by the Chairman.

JSS13/10 **NOTICE OF OTHER BUSINESS**

The Chairman accepted a late report on agenda item 8 - External Auditor's Report to those charged with Governance - September 2010 for discussion as urgent business as it was essential to sign off the Auditors' Statement.

JSS14/10 **PERFORMANCE MANAGEMENT 2010/11**

This report provided an update on the performance of the shared services in the current year. The Director of Corporate Resources and Governance reported that to date there were no significant variations in expenditure against the original budget and that a report on potential budget reductions for 2011/12 would be made to the Joint Committee on 22 November.

Reports from each of the services were made to the Joint Committee, covering progress in the last quarter, key current activities and projects for 2010/11.

Members had also received monthly and quarterly Performance Indicator and budgetary control information for each service.

The Heads of Service and Executive Director reported and responded to Members' questions on the following achievements and activities, among others.

ICT – Avni Patel

Additional ICT resources had been put into the helpdesk function to improve response times and that the forthcoming restructure of ICT would further improve the service to clients and increase user satisfaction. Purchase of a new profile server with local storage to replace an old server which did not have local storage had resolved lengthy delays in client access at Watford. Problems encountered had required input by Microsoft engineers. There were no plans to incur unbudgeted expenditure through the ICT restructure.

Finance - Alan Power

The audits of Watford, Three Rivers and Shared Services had produced no significant issues. Some problems had been encountered with the implementation of COA finance system. The Officers were dissatisfied with the performance of the supplier, whose account manager would be attending a meeting on 24 September. The Councils could expect substantial repayments of VAT following successful claims, amounting to £1.6m for Watford and £0.9m for Three Rivers. £25,000 had been received to date. Two areas where work was still needed were payment of invoices within 30 days and switching payments to a number of suppliers from cheques to BACS. Further work was required to eliminate a backlog of bank reconciliations and to achieve the 10-day performance target.

Human Resources – Tricia Taylor on behalf of Terry Baldwin

A common staff appraisal system was in preparation for both Councils, for completion by 10 December and the HR staff to employee ratio was 1:92, close to the private sector ratio of 1:100. Sickness levels had fallen in Three Rivers to 7.6 days per employee and in Watford to 8.6 days in 2009/10. Further improvements were expected in quarter 2. A further explanation of the figures for long and short term sickness for Three Rivers District Council would be circulated to Members by the Head of Service.

Revenues and Benefits – Phil Adlard

The Benefits claims workload had increased in the last 12 months by 8% in Watford and 4% in Three Rivers. NI180 was no longer a performance indicator, but the information could be included in RB4 if Members so wished. Council Tax collection had improved under the interim Revenues Manager and further improvements were expected in the second quarter. Regular reports would be made on Housing Benefit overpayments and the MOSAIC system would be used to support a campaign to improve Direct Debit take-up across both authorities. A measure to compare invoices raised with payments received by value would be

used in future to produce an improved performance indicator. The backlog of outstanding claims had substantially reduced by almost one-half over the past 10 weeks in both Councils. Claims were currently processed separately via a surname split although harmonisation to achieve a single work allocation process was included in the Action Plan.

Members commended the service improvements in ICT, Finance and HR, especially the improvements in sickness absences and Watford's high level of annual appraisals completed, while noting that Three Rivers operated appraisals on a different timetable. They noted that the sickness records had two sets of figures and sought clarification for the next meeting.

Members also commended the work of the Benefits Team in achieving a considerable reduction in outstanding benefits claims but noted that in the current economic climate a further increase in claims was anticipated.

Three Rivers Members commented that, despite the improvements in ICT client support and the recent improvements in Revenues and Benefits, the levels of performance had not yet equalled the service provided prior to the introduction of joint shared services.

ACTION AGREED:-

- (1) that the detailed budgetary implications of the ICT restructuring be reported to the next meeting;
- (2) that work to achieve bank reconciliations within 10 working days be targeted for 30 September.
- (3) that work on producing a harmonised appraisals system, with a projected completion date of December 2010 be noted;
- (4) that the statistics for long-term and short-term sickness be clarified for report to the next meeting; and
- (5) that the work of the Benefits Manager and her team to reduce the backlog of claims be recognised with satisfaction.

JSS15/10 REVENUES AND BENEFITS - REVIEW AND ACTION PLAN

The Joint Committee received a report on a proposed Action Plan following a review of the Revenues and Benefits Service.

In response to questions the Head of Revenues and Benefits stated that, in paragraph 7.1.1 the surname split was operating effectively but would eventually be replaced. There was not a geographical split. Future reports would incorporate target dates for each recommended action.

ACTION AGREED:-

- (1) that the Committee noted the contents of the Action Plan: and
- (2) that the Committee agreed to receive further reports at future meetings to update on progress against the Plan, incorporating implementation dates.

JSS16/10 REVENUES AND BENEFITS - POLICY, QUALITY AND TRAINING TEAM LEADER

The Joint Committee was requested to support the creation of a new post of Policy, Quality and Training Team Leader with particular emphasis on fulfilling the requirement for a Systems & Subsidy expert role.

The Head of Revenues and Benefits advised that the post would provide a resource to monitor benefit subsidy and protect against losses of subsidy arising from inaccurate claims and the consequent withholding of subsidy by the DWP. The additional costs of the post would be fully met by reductions in subsidy losses from the two Councils' client accounts.

Members supported the proposal but recognised that the costs would need to be apportioned appropriately between the Councils.

ACTION AGREED:

- (1) that the Joint Committee supported the creation of the post of Policy, Quality and Training Team Leader, subject to resolution (2) below; and
- (2) that the Director of Corporate Resources and Governance and the Executive Director Resources agree on how the £36,000 costs of the post were to be split between the two Councils.

JSS17/10 EXTERNAL AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE - SEPTEMBER 2010

This report enabled the Committee to question the external auditors concerning their report and to agree the Annual Governance statement for inclusion in the Statement of Accounts. The significant governance issues to be addressed by both Councils over the coming year were detailed in Sections 1.5, 1.12, 2.2, 2.12 and 2.21 of the report.

In response to a question on the costs of the audit, Paul Dossett state that auditors' fees were set by the Audit Commission. Fee levels had increased to £11,219 to reflect the requirement for three audits instead of two for the Councils, following the inclusion of an audit of Shared Services. He considered it unlikely that the impending changes referred to in paragraph 2.21 of the report would impact significantly on audit costs.

The Chairman thanked the External Auditors for their report.

ACTION AGREED

- (1) that the External Auditor Report to those charged with governance – September 2010 be noted, and
- (2) that the letter of representation attached at Appendix 2 of the report be approved.

JSS18/10 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED

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

JSS19/10 **ICT STRUCTURE**

The Joint Committee received a progress report on the restructure and a plan for completion.

The Head of ICT advised of the proposed detailed structure in comparison to the existing structure. There would be no change to the existing FTE establishment, although two vacant posts would be deleted and two part-time posts would provide additional early and late cover for first line customer contacts. It was hoped to avoid redundancies although there would be some changes to job responsibilities.

The Chairman thanked the Head of ICT Services for a substantial report and looked forward to a further report to the next meeting.

ACTION AGREED:-

- (1) that the Joint Committee notes the work underway and the timetable for the completion of the restructure and that a further update be reported back to the Joint Committee in November 2010;
- (2) that public access to the report be denied until the issue has been resolved; and
- (3) that public access to the decision be denied until the Joint Committee Action Sheet or Minutes publication.

CHAIRMAN