

THREE RIVERS DISTRICT COUNCIL AND WATFORD BOROUGH COUNCIL

At a meeting of the **Three Rivers and Watford Shared Services Joint Committee** held in the Three Rivers District Council, on 30 November 2010 7.30 pm to 10.04 pm

Present: Councillors B White (Chair), A Wylie (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
	Terry Baldwin	Head of HR
	Alan Power	Head of Finance
	Avni Patel	Head of ICT
	Phil Adlard	Head of Revenues and Benefits
	Chris Fagan	Committee Manager

JSS20/10 **ELECTION OF CHAIR AND VICE-CHAIR**

RESOLVED:-

- (1) that Councillor Brian White be appointed Chairman of the Joint Committee until November 2011;
- (2) that Councillor Andy Wylie be appointed Vice Chairman of the Joint Committee until November 2011.

JSS21/10 **DISCLOSURES OF INTEREST**

None.

JSS22/10 **MINUTES**

The Minutes of the meetings of the Joint Shared Services Committee held on 13 September 2010 were confirmed as a correct record and were signed by the Chairman.

JSS23/10 **NOTICE OF OTHER BUSINESS**

None.

JSS24/10 **PERFORMANCE MANAGEMENT 2010/11**

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

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 Indicators and budgetary control information for each service.

The Heads of Service, the Director of Corporate Resources and Governance and the Executive Director Resources reported and responded to Members' questions on progress and performance which had fallen short of target among others.

Revenues and Benefits – Phil Adlard

The Government had recently published its White Paper "Welfare That Works" which envisaged the replacement of a number of benefits by a universal credit payment. This would be introduced for new claimants in October 2013 and for existing claimants in 2017. The new benefit would be run by the Department for Work and Pensions. Housing Benefit would be included but no decision had been taken about Council Tax Benefit. There might be some scope for continued local authority involvement in administration but there were likely to be major staffing implications. In addition the Government's benefit reductions would introduce reduced payouts and caps on housing benefit from April 2011.

On service, the backlog of Benefits claims at both Councils was continuing to decrease, although there had been a spike of new claims in September. Part of the reason was that two temporary staff had been released, which had reduced staffing levels. An outside firm had been contacted to provide an alternative to the current arrangements with temporary staff and its temporary staffing costs were lower than those of temporary in-house staff.

Members wished to receive information on the performance and costs of the outside company, with a view to using them to handle backlogs of claims. The Head of Revenues and Benefits assured Members that quality assurance checks were in place. Residents seeking information on the processing of their claims could do so via the appropriate Council's Customer Service Centre.

Regarding Revenues, an interim Revenue Manager had been appointed in September and was providing a good service. An experienced new Manager would commence in January 2011. Collection rates of NNDR and Council Tax were improving but were still below target. The use of MOSAIC to support a campaign to improve Direct Debit take-up across both authorities had not proved successful.

Finance – Alan Power

Performance Indicators to the end of October were presented. Payments of invoices within 30 days had improved to 97% and payments via BACS were improving. There had been no change on reconciliations during October but most were up to date and were done regularly, however Watford's bank reconciliations were still not achieving their target of 10 days from the end of the previous month. This was due to the complexities of the new financial

management system, new staff and a software error on accounts receivable (direct debits) where a temporary fix had been applied. The Head of Finance stated that reconciliations would be up to date by January 2011.

In answer to questions the Head of Finance and the Director of Corporate Resources and Governance stated that the problems had arisen through a combination of the loss of some experienced staff and the use of new software. The Officers were talking with COA about the problems and had withheld some payments to COA pending the satisfactory resolution of them. It was considered that the level of support provided by COA had not been sufficient at implementation and during the first few months of the live system.

Members asked about the ability of the Finance Service to cope with these difficulties in completing its tasks such as the year-end accounts. The Head of Finance replied that the Service was operating on minimal staff numbers, with one-third of the Service being new and with a new system. There was a risk that the Service would struggle if a key member of staff became unavailable and there were no budget reserves to employ additional staff. However some resilience was being achieved and he was confident that they would succeed in resolving their short-term problems.

The Chairman asked for a report to the next meeting on the outcome of the discussions with COA, any other changes and on monitoring and processes for the next year's work.

Human Resources – Terry Baldwin

The Head of Human Resources reported on excellent improvements in sickness absence figures for both Councils, notably Three Rivers. There had been no change in other indicators.

ICT – Avni Patel

The Head of ICT reported on the three performance indicators.

Response to service calls was improving, although there had been a rise in October due to staff sickness and annual leave. She would circulate amended figures for outstanding calls. The Service availability targets were continuing to be met. The User satisfaction indicator was more problematic, in that only a small number of users who requested assistance bothered to complete an e-mailed survey response form which was sent to every staff member receiving assistance. A sample survey might be substituted for this method. Other current methods of assessing user satisfaction were an annual survey and bi-monthly meetings with Service Heads.

The Executive Director Resources advised that feedback was also obtainable through the mechanism for staff complaints.

The Chairman made clear that Members wished be to assured that there were adequate mechanisms for assessing any staff dissatisfaction with the service, but that Members recognised that the data being provided via the e-mail survey to meet KPI 7 was not meaningful and that this could be dispensed with.

On service issues, the Head of ICT reported that the Network and Hardware Infrastructure Review was progressing, with a supplier selected and an anticipated completion date of March 2011. Staff of both Councils would be informed and consulted via Council newsletters.

In response to Members' questions about how much information could be downloaded by individuals, the Executive Director Resources stated that a future ICT project for both Councils would involve developing a common data security policy and then installing controls on the network to limit downloading of documents to personal computers. This would also limit junk e-mails. However it could not be introduced until the completion of the current large IT projects.

The Chairman stated that Members would wish to have this work undertaken sooner rather than later.

ACTION AGREED:-

- (1) that the Service Heads' reports be noted;
- (2) that a report be made to the Joint Committee on the service provided to the Revenues and Benefits Service by a new company in handling backlogs of benefits claims;
- (3) that KPI 7 user satisfaction feedback surveys be discontinued as a key performance indicator by reason of the very low rate of response from users who had requested assistance from ICT in dealing with problems; and
- (4) that a report be made to the next meeting on the outcome of the discussions with COA regarding reconciliations support, any other changes and on monitoring and processes for the next year's work.

JSS25/10 DATE OF NEXT MEETING

It was noted that the next meeting would take place on Monday 10 January 2011.

JSS26/10 LINKS WITH PARISH COUNCILS

The Chairman informed Members that the Parish Councils in Three Rivers District should be informed of developments in Shared Services and asked the Officers to ensure that contact names were provided.

JSS27/10 **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 items 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 items there would be disclosure to them of exempt information as defined under Paragraph 4 of Part 1 of Schedule 12A to the Act.”

JSS28/10 **COST REDUCTION EXERCISE**

The Joint Committee received a report on proposals to reduce shared services costs given the likely reduction in Government grant to support the Councils' services over the next four years. All Service Heads had been requested to identify savings equivalent to 10% of their gross expenditure. The report included proposals for both efficiency savings and potential service reductions. The target savings figure was £657,790 and the total identified reduction was £550,830 by 2013/14.

The Director of Corporate Resources and Governance advised that both Councils had budgeted 2% for pay awards which were unlikely to be required, but other supplies and service costs might increase.

Members noted that the efficiency savings would not suffice to achieve the target reductions but that the report outlined possible ways of increasing income. The services were still bedding down, ICT was undergoing a major restructuring and considerable service improvements were needed in ICT and Revenues and Benefits. Finance had not completed an annual cycle. The scope for staffing reductions was therefore small. The forthcoming change to a universal benefit system would have staffing implications for Revenues and Benefits in the longer term and any staffing reductions would impact on accommodation and overhead allocations. Members therefore requested a report on the service implications of new benefits legislation when these were known. They considered that the caseload costs of the Benefits Service should be established and a comparative analysis of other Councils' caseloads and staff numbers within the CIPFA family group should be carried out. It was noted that Watford had some more complex client groups than other authorities.

The Executive Director Resources undertook to ensure that these investigations were carried out.

Investigation of out-sourcing of part or all of the Benefits service was raised, but a majority of Members considered that out-sourcing would not be an appropriate option at the present time in view of the uncertainty over the content and impact of future Government proposals, which might deter tenders from the private sector.

It was noted that the efficiency gain from combined annual billing of Council Tax in 2012/13 and 2013/14 in Appendix 5 should be stated as £31,800, an increase of £10,000.

Members expressed their appreciation and thanks to the Officers for a clear and rigorous report.

ACTION AGREED:-

- (1) That the Committee notes and accepts the efficiency gains listed at Appendix 5 of the report for recommendation to both Councils;
- (2) that the list of service reductions set out in Appendix 6 to the report be accepted with reluctance for recommendation to both Councils, subject to the proviso that, if alternative resourcing is found which would permit their retention it would be welcomed;
- (3) that in view of the need to reduce the backlogs of Benefits claims and the current uncertainty about future Government decisions concerning changes to the benefits system, the savings and service reductions put forward for the Revenues and Benefits Service be accepted, but a comparative analysis be undertaken of the workloads and staff costs of other authorities within the CIPFA families of both Councils and of relevant private companies in handling the Benefits service and reported to the Joint Committee in January 2011, to enable an informed judgment to be made.
- (4) that public access to the report be denied until the issue has been resolved; and
- (5) that public access to the decision be denied until the Joint Committee Action Sheet or Minutes publication.

JSS29/10 HARMONISATION PROJECT

The purpose of this report was to inform the Shared Services Joint Committee of the proposals that the harmonisation steering group wished to put to staff for formal consultation. These proposals had been reviewed by senior management teams in both Watford and Three Rivers.

Reports requesting permission to enter into three months collective and individual employee consultation had been agreed by Three Rivers Resources Policy and Scrutiny Committee on 11 November and Watford Council Functions Committee on 24 November and would be reported to Three Rivers Executive Committee on 6 December. Subject to permission being granted, a three-month consultation period would commence on 7 December 2010.

In view of the acceptance of the harmonisation proposals by committees of both Councils Members were minded to approve them for consultation with staff.

RESOLVED:-

- (1) that the contents of the report be noted;
- (2) that public access to the report be denied until consent to formally consult with both Watford and Three Rivers employees has been granted.

CHAIRMAN