

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 10 January 2011 7.30 pm to 10.00 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
	Avni Patel	Head of ICT
	Phil Adlard	Head of Revenues and Benefits
	Dot Reynolds	Finance Manager
	Sarah Haythorpe	Principal Committee Manager

JSS30/10 **DISCLOSURES OF INTEREST**

None.

JSS31/10 **MINUTES**

The Minutes of the meetings of the Joint Shared Services Committee held on 30 November 2010 were confirmed as a correct record and were signed by the Chairman.

JSS32/10 **NOTICE OF OTHER BUSINESS**

None.

JSS33/10 **PERFORMANCE MANAGEMENT 2010/11**

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

Members were referred to <http://www.trw-sharedservices.org.uk/ccm/portal/> which provided details on performance management, performance indicators and budget information for each shared service. This information was also available at the meeting and the Heads of Service answered Members' questions and provided detail on remedial action that was being taken to improve performance which was failing short of target.

Revenue and Benefits

The Head of Revenue and Benefits updated Members on progress with the outstanding caseloads in Revenues and Benefits, staffing and the initial findings of comparing the service to other Local Authorities. At the November meeting it was reported that investigations were taking place on the option of working with Meritec dealing with outstanding cases. This was to seek to reduce the cost of agency staff.

The current agency providing temporary staff was aware of the Council's intentions and had suggested that they would be willing to renegotiate their rates if it meant keeping the business.

Two benefit assessor vacancies had been advertised with 24 applications received. 6 people had been selected to interview on 13 January 2011.

The Policy Quality and Training Team Leader post approved in September had also been advertised and two internal applications had been received.

Data had been provided to a national benchmarking group from other Local Authorities with similar caseloads. The benchmarking group had taken into account all staff with an involvement in Benefits Administration, ranging from scanning teams to assessors to fraud and overpayment recovery. The number of cases per FTE for the shared service was 414. More investigation was needed to see how workflow affected these figures.

In an effort to further unify the two authorities, a series of Team Development Days had been arranged for the end of January/beginning of February. These days had already been run successfully in Human Resources and it was hoped they would achieve similar results. The cost of these Development Days had already been budgeted for as part of the implementation so there was no additional cost to the shared service

The new Revenues Manager, Kevin Stewart had now joined, bringing a wealth of local government experience at a high level as well as recent experience with the Audit Commission. He had already been working on improvements to the service and would provide added impetus in introducing necessary changes.

Members made the following points:

The current head count was estimated at 30.5 FTE but with agency staff included would be more like 40 staff. In response, the Head of Revenue and Benefits advised that the additional staff had been used to clear the backlog of cases until the end of March.

The benchmarking information was useful but Members requested that expenditure figures on the cost of each benefit claim processed be attached to the minutes.

The Council Tax collection in Three Rivers was above target but slightly below target for Watford.

Business rates collection was below target for both Three Rivers and Watford but recovery action was now under way, with direct training to be provided.

Housing benefit overpayments (the amount recovered as a percentage of Overpayments raised in the year) was 51% for Watford and 67% for Three Rivers.

The percentage of Council Taxpayers (net of full benefit and exemptions) paying by Direct Debit was above target at Watford and nearly on target at Three Rivers.

84% of total debts had been collected with the target for Three Rivers and Watford by March 2011 being 89%.

The revenue budget monitoring for Period 9 December 2010/11 were presented to the Committee showing the variances from the original budget.

The financial budget monitoring report provided details on the current budget arrangements and any amendments which had been made. With regard to employee costs, these had now been amended to include the two NNDR Officer posts which would be retained as external work would be brought in to pay for these posts.

All IT costs had been apportioned equally between the Revenue and Benefits budgets.

Benefits

Details were provided to the Committee on the latest budget costs including assumptions for the remainder of 2010/11 which included variances to the employment costs for the remainder of the year. Included in the budget was the post of Policy, Quality and Training Team Leader which had been agreed by the Committee in September 2010.

Members requested that comparisons be made between the cost of permanent staff and the cost of agency staff in Revenue and Benefits. It was noted that the procedures for providing benefits would be changing in the next few years due to proposed Government changes in the Benefits system and processes.

Members also asked that the costs for agency staff in Revenue and Benefits be provided to the Committee with details on what the cost might be following negotiation with the employment agency.

Finance Update

Bank Reconciliations

Members were provided with an update on Bank Reconciliations for both Councils. The general account transactions from cash receipting in the cash

book were system generated as a single figure each day. The nature of transactions in the general account was such that it was impossible to make reconciliations to the bank statements on an automated process. In order to balance the daily transactions from cash receipting to the bank statement, further analysis was required to match numerous amounts on more than one bank statement (multiple bank account statements, multiple amounts and multiple days). Each individual day's cash receipting items had been reconciled to the receipts and deposits in the Financial Management System. Receipts and deposits had been matched to items in the cash book. By the end of January all reconciliations would have been finalised and the journal entries completed.

Members requested that if the bank reconciliations were not achieving their targets by the end of January 2011 the Committee be informed as a matter of urgency.

Financial Management System (COA)

The Finance Manager read out a statement on the contractual relationship with the provider of the financial management system COA. Some problems had been experienced when the system went live in April 2010 and the provider had admitted that additional resources should have been provided to resolve these points. The Council and the provider had met to agree the way forward and had agreed an action plan to resolve and prioritise the outstanding issues.

Closing of Accounts 2010/11

Members noted that a guidance document had been produced for the closing of the 2010/11 accounts. The guidance included a detailed timetable, the accounts to be closed and the head of service responsible for co-ordinating the closure of their accounts with the Finance Manager. Training sessions for staff would also be organised.

Members requested that the guidance and processes for closing the 2010/11 accounts be published on the Shared Services intranet with a web link sent to the Committee Members. Details on asset valuation would be available at the end of January.

Performance

The 100% target for the payment of invoices within 30 days had not been reached but both Councils were moving towards a 90% target.

The target for the payment of invoices by BACS had been exceeded for Watford with Three Rivers getting close to the 80% target. These targets would be revisited when the year end accounts were completed.

Budget Monitoring

The latest budgets included £20,000 p.a. for a combination of specialist audit advice, agency staff and overtime to ensure work could be completed at peak

times. With the saving of £40,000 on the contract and agency services budgets, this achieved the savings required from internal audit identified during the cost reduction exercise (£25,000 in 2011/12 rising to £50,000 p.a.).

Officers would be exploring the possibility of increasing income rather than reducing staffing levels.

The budget had taken out any pay award for this year and 2011/12 for all services.

Members requested that for all the shared services one document be produced to include the budget monitoring and performance indicators in the current year for the Committee and that the document be attached to the minutes of this meeting.

Members requested that a shortcut icon to the Shared Services Intranet be provided to the Committee Members.

ICT Restructure

The Head of ICT advised that the Business team selection process and interviews had been completed. The last interview for the Infrastructure team would be held this Thursday. It was hoped that both teams would be finalised by 1 February.

The Infrastructure review project had started with details to be provided in the Councils' newsletters. Meetings would be arranged in mid-February with Heads of Service and the consultant to gather their views on their infrastructure requirements. A report would be presented at the next meeting with further information on the Infrastructure Review and capital implications for 2011/12 onwards for the harmonisation of systems supported by ICT.

Income Management Project

Negotiations with the supplier on the system had taken longer than anticipated. For the closing of the 2010/11 accounts negotiation had taken place to extend both Councils' licences. The plan was now to go live with the new system (within budget) by the Autumn 2011. Hardware was now on site and was being built. User workshops would be organised once the system configuration had been completed.

User satisfaction

Processes were in place to obtain feedback on ICT's work and consideration was being given to longer term methods. ICT continue to collect customer surveys on the service provided. Meetings with Heads of Service took place regularly to discuss their ICT requirements.

The E-mail problems experienced before Christmas at Watford had now been resolved.

The ICT Team was working with Actica on the Infrastructure review on the level of capital budget required for next year to establish the costs for replacing the hardware and providing more security to both networks. Members advised that they would require more background information and reassurance about this project at the next meeting, with the service plan.

Capital budget planning was also taking place on software programming costs for future years. The harmonisation of ICT systems would expect to make savings by having one system for both Councils, reducing licensing costs. Members requested that information be provided on the harmonisation of shared services ICT systems and the costs implications to include potential savings.

There could be a need for extra investment to get the best CRM system. Three Rivers still needed to go through the procurement process, putting details out on their requirements for suppliers to bid.

ICT was looking at ideas on corporate solutions for a document saving system to provide the best corporate solution.

Performance Indicators

With regard to KPI 7 – user satisfaction feedback surveys – this KPI had been discontinued.

There had been fewer calls received by ICT in December which had reduced the level of resolution of ICT problems reported.

Service availability at Three Rivers was above target but at Watford was below target.

Budget monitoring

The following points were advised to the Committee:

- Variances to the budget had reduced employment costs/transport costs taking into account agency costs.
- The budget had taken out any pay award for this year and 2011/12.

Human Resources

The Head of HR advised that the implementation of the online appraisal system would be 1/10/2011 and the consultation with staff on the harmonisation of terms and conditions of employment would continue to 8/3/11.

At Watford, consultation meetings were taking place with members of staff who were at risk of compulsory redundancy. 20 members of staff at Watford had advised they would like to be considered for voluntary redundancy. All requests for voluntary redundancy would be considered by the Watford Management Team. Procedures and processes were in place to consider all these requests.

There were no voluntary redundancies currently at Three Rivers and 1 part time employee faced compulsory redundancy.

Performance Indicators

There was a low turnover of staff at both Councils and in the current economic climate it was unlikely this would change. Therefore it was difficult to change any of the employee related performance indicators. The current level of sickness absence in Three Rivers was amongst the lowest in Hertfordshire and possibly in the whole of the East of England. At Watford the level was slightly higher but had significantly reduced over the last few years.

Staff were now using Resourcelink to update their records which was helping to update the Human Resource records.

The performance indicators for long term absence were reviewed and Management had been asked to look at more meaningful indicators for 2011/12.

Budget monitoring

The following points were advised to the Committee:

- No pay award this year or next year
- One Member of staff was working on secondment to complete the harmonisation project.
- There had been employee cost reductions with the deletion of the Health and Safety Adviser post and the duties being provided via an SLA with Herts. County Council.
- Officers would be exploring the opportunities to increase income.

Officers were asked to consider all income generation options including SLAs with other Authorities. Any options to be taken forward must include a detailed business case for the Committee to consider.

RESOLVED:

- (1) that the report be noted;
- (2) that expenditure figures on the cost of each benefit claim processed be attached to the minutes;
- (3) that comparisons be made between the cost of permanent staff and the cost of agency staff in Revenue and Benefits;
- (4) that the costs for agency staff in Revenue and Benefits be provided to the Committee with details on what the cost might be, following negotiation with the employment agency;

- (5) that if the bank reconciliations were not achieving their targets by the end of January 2011 the Committee be informed as a matter of urgency;
- (6) that the guidance and processes for closing the 2010/11 accounts be published on the Shared Services intranet with a web link sent to the Committee Members;
- (7) that one document be produced to include the budget monitoring and performance of the shared services in the current year for the Committee and be attached to the minutes of this meeting;
- (8) that a shortcut icon to the Shared Services Intranet be provided to the Committee Members;
- (9) that a report be presented at the next meeting with further information on the Infrastructure Review and capital implications for 2011/12 onwards for harmonisation of systems supported by ICT;
- (10) that information be provided on the harmonisation of shared services ICT systems and the costs implications to include potential savings;
- (11) it was noted that the implementation of the online appraisal system would be 1/10/2011;
- (12) it was noted that the consultation with staff on the harmonising of terms and conditions of employment would continue to 8/3/11;
- (13) that Officers consider all income generation options including SLAs with other Authorities. Any options to be taken forward must include a detailed business case for the Committee to consider.

JSS34/10 DATE OF NEXT MEETING

Members requested that the date of the next meeting be changed with possible new dates circulated to the Committee.

RESOLVED:

that the date of the next meeting 28 February 2011 be changed and new dates be circulated to the Committee for agreement.

CHAIRMAN