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THREE RIVERS & WATFORD
SHARED SERVICES
JOINT COMMITTEE



AGENDA

Date: 19 November 2012

Time: 7.30 pm

Place: Penn Chamber, Three Rivers District Council

Members of the Committee:-

Councillors:-	G Derbyshire	R Sangster
	A Khan	M Watkin
	S Nelmes	B White

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 ELECTION OF CHAIR AND VICE-CHAIR

To elect a Chair and Vice-Chair of the Committee for the ensuing year in accordance with paragraphs 9 and 10 of Schedule 1 to the 'Delegation and Joint Committee Agreement':
Three Rivers members to appoint the Chair and Watford members to appoint the Vice-Chair.

3 DISCLOSURES OF INTEREST

To receive any disclosures of interest.

4 MINUTES

To confirm as a correct record the minutes of the Joint Shared Services Committee held on 24 September 2012.

(The minutes are available on the Council's website)

Item	Page
5 NOTICE OF OTHER BUSINESS	
<p>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)).</p>	
6 MEASURES OF PERFORMANCE	1 - 14
<p>This report gives performance information for the 2nd Quarter of 2012/13.</p>	
7 SERVICE AND FINANCIAL PLANNING 2013-2016	15 - 172
<p>This report considers the service plans and budgets for the shared services in the medium term.</p>	
8 ICT - UPDATE ON DUE DILIGENCE	
<p>An oral report will be given on the progress made on due diligence with Capita PLC.</p>	
9 ICT - CLIENT FUNCTION	173 - 182
<p>This report considers the need for a client function in the event of out-sourcing ICT activities.</p>	
10 INTERNAL AUDIT	183 - 204
<p>This report considers a proposal to join the Hertfordshire Shared Internal Audit Service.</p>	
11 SHARED SERVICES REVIEW	205 - 210
<p>This report looks at the achievement of the shared services against the criteria of resilience, savings and service improvement and considers the lessons learned since implementation.</p>	

12 EXCLUSION OF PRESS AND PUBLIC

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.

Part B - Closed to the Public**13 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 6

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 19 November 2012

PART A

AGENDA ITEM

6

Title: MEASURES OF PERFORMANCE

Report of: Terry Baldwin – Head of Human Resources
Avni Patel – Head of ICT
Alan Power – Head of Finance
Phil Adlard – Head of Revenues and Benefits

1. **SUMMARY**

1.1 This report gives performance information for the 2nd Quarter of 2012/13.

2. **RECOMMENDATIONS**

2.1 That the Committee notes this report.

Contact Officer:

For further information on this report please contact:

Alan Power – Head of Finance
Telephone number: 01923 727196 email: alan.power@threerivers.gov.uk
Avni Patel – Head of ICT
Telephone number: 01923 278457 email: Avni.Patel@watford.gov.uk
Terry Baldwin – Head of HR
Telephone number: 01923 278133 email: Terry.Baldwin@watford.gov.uk
Phil Adlard – Head of Revenues and Benefits
Telephone number: 01923 278023 email: Phil.Adlard@watford.gov.uk

Report approved by:

Bernard Clarke – Head of Strategic Finance – Watford B.C.
David Gardner – Director of Corporate Resources & Governance – Three Rivers D.C.

3. **DETAILED PROPOSAL**

3.1 Measures of Performance for Quarter 2 of 2012/13 are attached at Appendix 1.

3.2 Heads of service will attend the meeting to answer questions.

4. **IMPLICATIONS**

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 are no changes to the budget or the efficiency gains already agreed by the Joint Committee, Three Rivers District Council or Watford Borough Council as a result of this report.

4.3 **Legal Issues** (Monitoring Officer)

4.3.1 There are no legal issues associated with 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 (i.e. to note the report).

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

4.5.1 None specific.

Appendices







Watford and Three Rivers Shared Services – Measures of Performance, Annual, Quarterly, Monthly – 2012/13 (Quarter 2: July – Sept)

Background Papers





No papers were used in the preparation of this report.

WATFORD AND THREE RIVERS SHARED SERVICES – MEASURES OF PERFORMANCE






Annual, Quarterly, Monthly – 2012/13 (QUARTER 2 – JULY – SEPT – 2012/13)

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	  	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
Finance									
SSF1	% payment made by BACS	Quarterly						Finance	
	Watford BC	90%	89.26%	86.05%		↑	↑		BACS – all new suppliers are contacted to request bank details. Every 3 months the supplier database is reviewed and progress chased. After a payment run any businesses paid by cheque receives a letter requesting bank details
	Three Rivers DC [FN09 (2)]	90%	81.90%	82.61%	!	↓	↓		Cumulative figures show that 82.615 were paid by BACS
SSF2	Creditor payments paid within 30 days	Quarterly						Finance	
	Watford BC	100%	88.21%	90.32%		↓	↓		
	Three Rivers DC [FN09 (1)]	100%	91.92%	92.26%		↓	↓		67.11% of all invoices were paid within 10 days. Cumulative figures show that 92.26% were paid within 30 days

Watford and Three Rivers Shared Services - Measures Of Performance – Progress report as of quarter 2 (July – Sept) – 2012/13

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	  	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
SSF3	Treasury , Investments and Banking Services Management of short and long term cash flow	Annual						Finance	
	Watford BC	1.3%	1.3%	1.3%		↓	↓		<p>Annual indictor.</p> <p>However, Watford BC reports this indicator throughout the year.</p> <p>The performance of the council’s treasury management strategy for the period ending 30th Sept 2012 shows an average annualised return on investments of 1.3% (compared to an estimate of 1.3%). Interest received as at 30th Sept 2012 (after allowing for previous year accruals) equates to £165k.</p> <p>Interest base rates (0.5%) are not now expected to rise until Dec 2014.</p>
	Three Rivers DC [FN01]								Annual indictor.




Watford and Three Rivers Shared Services - Measures Of Performance – Progress report as of quarter 2 (July – Sept) – 2012/13

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	  	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
SSF4	Month end account closure - reconciliations	Monthly						Finance	
	Watford BC	100% reconciliations done	Yes	Yes		↑	-		
	Three Rivers DC [FN02]	100% reconciliations done	Yes	Yes		↑	-		
SSF5	Monthly Budget Monitoring Reports – Overall Revenue Budget Performance	Annual						Finance	
	Watford BC								Annual indicator
	Three Rivers DC [FN03 (1)]								Annual indicator
SSF6	Monthly Budget Monitoring Reports – Overall Capital Budget Performance	Annual						Finance	
	Watford BC								Annual indicator
	Three Rivers DC [FN03 (2)]								Annual indicator
SSF7	Closure of Annual Accounts and production of statements – Statement of Accounts approval	Annual						Finance	
	Watford BC								Annual indicator
	Three Rivers DC [FN04 (1)]								Annual indicator















Watford and Three Rivers Shared Services - Measures Of Performance – Progress report as of quarter 2 (July – Sept) – 2012/13

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	😊 😞 !	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
SSF8	Compilation of government returns – revenue account, revenue summary, capital outturn – (RA, RS,CO)	Annual						Finance	
	Watford BC							Annual indicator	
	Three Rivers DC [FN05]							Annual indicator	
SSF9	Benefit Fraud – number of cases investigated	Annual						Finance	
	Watford BC							Annual indicator	
	Three Rivers DC [FN11 (1)]							Annual indicator	
SSF10	Benefit Fraud – Number of sanctions administered	Annual						Finance	
	Watford BC							Annual indicator	
	Three Rivers DC [FN11 (2)]							Annual indicator	
SSF11	The proportion of internal audit recommendations that have been implemented within their agreed timescales.	Quarterly						Finance	
	Watford BC	100%	94.1%	94.1%	😞	↑	-	New indicator for 2012/13 so no annual trend data.	
	Three Rivers DC [FN10]	N/A	N/A	N/A	N/A	N/A	N/A		





Watford and Three Rivers Shared Services - Measures Of Performance – Progress report as of quarter 2 (July – Sept) – 2012/13

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	  	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
Human Resources									
SSHR1	Sickness absence (working days lost)	Quarterly						Human Resources	
	Watford BC	1.63 days	2.68 days	5.06 days	!	↓	↓		Stretch target for this year will be challenging for Watford BC. New procedures only just being introduced to help achieve this target.
	Three Rivers DC	1.63 days	0.82 days	1.61 days	😊	↑	↑		Three Rivers continues with very low absence rates and if this trend continues, the absence for the year will be the lowest level recorded for Three Rivers.
SSHR2	Appraisals completed on time	Quarterly						Human Resources	
	Watford BC	100%	97.54%	97.54%	N/A	↑	↑		Good performance in both Councils and the introduction of a new process will be energetically supported by training and briefing to improve the quality and completion rates for the appraisal process for 2013-14
	Three Rivers DC (HR10)	100%	81.99%	81.99%	😊	↑	↑		







Watford and Three Rivers Shared Services - Measures Of Performance – Progress report as of quarter 2 (July – Sept) – 2012/13

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	  	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
SSHR3	Workforce monitoring report (6 monthly)	Bi-Annual						Human Resources	
	Watford BC								
HR3 (a)	% of top earners who are:								
	Women	50	38.1	38.1		↓			
	From Black and ethnic minority groups;	13.6	19.05	19.05		↑			
	Have a disability	5	0	0		-			
HR 3 (b)	% of employees declaring they have a disability	5	2.61	2.61		↑			
HR 3 (c)	% of employees from ethnic minority communities	13.6	23.99	23.99		↑			
HR 3 (d)	Ratio of HR staff to FTE's	1:90	1:88	1:88		-			
HR 3 (e)	Employee Turnover	No target	1.89%	4.69%					
	Three Rivers DC								
HR3 (a)	% of top earners who are:								
	Women	50	22.58	22.58		-			
	From Black and ethnic minority groups;	13.6	9.68	9.68		↓			
	Have a disability	9.2	12.9	12.9		-			
HR 3 (b)	% of employees declaring they have a disability	9.2	3.64	3.64		↓			
HR 3 (c)	% of employees from ethnic minority communities	13.6	2.65	2.65		↓			





Watford and Three Rivers Shared Services - Measures Of Performance – Progress report as of quarter 2 (July – Sept) – 2012/13

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	  	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
HR 3 (d)	Ratio of HR staff to FTE's	1:90	1:88	1:88		-			
HR 3 (e)	Employee Turnover	No target	3.27%	4.57%					

Watford and Three Rivers Shared Services - Measures Of Performance – Progress report as of quarter 2 (July – Sept) – 2012/13

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	  	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
ICT									
SS ICT1	ICT service availability to users during core working hours Watford Borough Council	Quarterly						ICT	
	Priority 1 Applications – ABS (COA) Academy (Windows) Uniform Email Internet WBC Website Lagan File and Print Server	99.5%	99.64%	99.57%		↑	↑		
	Priority 2 Applications – Touchpaper EROS Gauge Resource Link Intranet	99.5%	100%	100%		↔	↑		
SSICT 2	ICT service availability to users during core working hours Three Rivers District Council	Quarterly						ICT	
	All Applications	99.50%	99.90%	99.91%		↑	↑		







Watford and Three Rivers Shared Services - Measures Of Performance – Progress report as of quarter 2 (July – Sept) – 2012/13

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	  	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
SSICT 3	Resolution of reported incidents	Quarterly						ICT	
	Watford BC Three Rivers DC (IT 01)	99%	95.55%	94.34%		↑	↑		Combined result for both authorities
SSICT 4	ICT User Satisfaction	Annual						ICT	
	Watford BC								Annual indicator
	Three Rivers DC (IT02)								Annual indicator




Watford and Three Rivers Shared Services - Measures Of Performance – Progress report as of quarter 2 (July – Sept) – 2012/13

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	😊 😞 !	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
Revenues and Benefits									
SSRB 1	General debtors raised	Quarterly						Revenues & Benefits	
	Watford BC	£9.0m	£3.7m	£9.8m	😊	↔	↑		Cumulative result for Q2
	Three Rivers DC	£2.3m	£1.0m	£2.3m	😊	-	-		
SSRB 2	General debtors collected	Quarterly						Revenues & Benefits	
	Watford BC	89%	-	89.06%	😊	↑	↑		Cumulative result for Q2
	Three Rivers DC	89%	-	79.82%	😞				
SSRB 3	Collection rates of council tax	Quarterly						Revenues & Benefits	
	Watford BC	55.2%	54.79%	54.79%	😞	↑	↓		Cumulative result for Q2. Recovery underway to increase collection rate
	Three Rivers DC (RB 01)	50.00%	57.80%	57.80%	😊	-	-		Recovery underway to increase collection rate
SSRB 4	Collection rates of NNDR	Quarterly						Revenues & Benefits	
	Watford BC	60.4%	56.6%	56.6%	😞	↓	↓		Number of arrangements made to defer payment to March 2013
	Three Rivers DC (RB 02)	50.00%	61.50%	61.50%	😊	-	-		

Watford and Three Rivers Shared Services - Measures Of Performance – Progress report as of quarter 2 (July – Sept) – 2012/13

Ref	Measure	Target for Q2 2012/13	Actual at end of Q2 2012/13	Cumulative at end of Q2 2012/13	  	Trend since last period (Q1 2012/13)	Trend since last year (2011/12)	Service Lead	Comments
SSRB 5	Average time to process new claims	Quarterly						Revenues & Benefits	
	Watford BC	28 days	29.5 days	38.45 days		↑	↑		Figure based on position as at 30/09/12. Lowest performance this year and 10 days less than April 2012
	Three Rivers DC (RB 03)	25 days	28.11 days	36.82 days	!	-	-		Figure based on position as at 30/09/12
SSRB 6	Average time to process change of circumstances	Quarterly						Revenues & Benefits	
	Watford BC	15 days	35.75 days	33.72 days	!	↓	↑		
	Three Rivers DC (RB 04)	15 days	33.64 days	29.78 days	!	-	-		Continued use of external resources to reduce backlog.
SSRB 7	New claims – average time to process from receipt of all information	Quarterly						Revenues & Benefits	
	Watford BC	15 days	12.15 days	17.84 days		N/A	N/A		Good performance
	Three Rivers DC	15 days	14.84 days	17.18 days		N/A	N/A		

Key to performance against target

-  on target **or** above target
-  not on target but there is no cause for concern at this stage.
-  not on target/ more than 10% variance and is a cause for concern.

Agenda Item 7

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 19 November 2012

PART A

AGENDA ITEM

7

Title: SERVICE AND FINANCIAL PLANNING

Report of: Terry Baldwin – Head of Human Resources
Avni Patel – Head of ICT
Alan Power – Head of Finance
Phil Adlard – Head of Revenues and Benefits

1. SUMMARY

1.1 This report considers the service plans and budgets for the shared services in the medium term.

2. RECOMMENDATIONS

2.1 That the Committee reviews, make such amendments as it thinks fit and approves the service plans.

2.2 That the Committee notes the budget forecast for the Joint Committee in respect of the next three financial years (as changed by any amendments made under recommendation 2.1).

2.3 That the Committee submits to each Council its funding requirements.

Contact Officer:

For further information on this report please contact:

Alan Power – Head of Finance

Telephone number: 01923 727196 email: alan.power@threerivers.gov.uk

Avni Patel – Head of ICT

Telephone number: 01923 278457 email: Avni.Patel@watford.gov.uk

Terry Baldwin – Head of HR

Telephone number: 01923 278133 email: Terry.Baldwin@watford.gov.uk

Phil Adlard – Head of Revenues and Benefits

Telephone number: 01923 278023 email: Phil.Adlard@watford.gov.uk

Report approved by:

Bernard Clarke – Head of Strategic Finance – Watford B.C.

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

3. DETAILED PROPOSAL

3.1 The Delegation and Joint Committee Agreement states that:-

- Each Council shall submit to the Finance Officer of the Joint Committee before the end of October in each year, their estimate of the funding likely to be available to the shared services for the next three financial years,
- The Head of each Shared Service shall prepare and submit to the Joint Committee no later than November each year an annual written service plan for the Shared Service for which he or she is responsible for the next three financial years. This shall take into account any constraints and set out inter alia the outputs to be achieved by and the resources required for the relevant Shared Service.
- On receipt of a service plan for a Shared Service, the Joint Committee shall by the end of the calendar year, review, make such amendments as it thinks fit and approve the service plan together with the relevant Service Level Agreement.
- The Finance Officer to the Joint Committee shall prepare a base budget forecast for the Joint Committee in respect of the next three financial years by reference to the resources approved within the service plans.

The Joint Committee shall, as soon as practicable, but in any event no later than 10 January of each year, submit to each Council its funding requirements.

3.2 Attached as appendices to this report are the service plans for the four shared services.

Service Plans

Finance

3.3 The Finance Service Plan includes the further savings made since the introduction of shared services. The workforce planning section highlights the risks associated with an ageing workforce several of whom are approaching retirement. The Plan also refers to the possibility of joining the Hertfordshire Shared Internal Audit Service detailed elsewhere on this agenda.

3.4 In common with Human Resources and the ICT service, Finance provides support to front-line services that are currently being considered for out-sourcing at Watford. The shared services plans current reflect the existing service levels and will need reconsideration should those levels consequently reduce.

Human Resources

3.5 The Human Resources Plan explains how sickness management is being approached. The service is also hoping to take on work from other Councils. Savings are identified in the event that this does not materialise or existing service levels reduce as a result of out-sourcing (see above).

ICT

3.6 The ICT service plan is written allowing for an on-going service should the out-sourcing arrangements currently in train fail to materialise for any reason. The potential savings from out-sourcing are detailed in section 2.6.

Revenues & Benefits

3.7 The Revenues & Benefits Service Plan outlines the preparation for the introduction of local support to council tax and universal credit. It details the on-going improvements to processes from e-services and assistance from the customer service centres. Growth bids are included to tackle the continuing level of benefit claims and changes in circumstance, to improve IT systems, and to reduce the impact on collection rates of the current changes.

4. IMPLICATIONS

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

Overall Financial Position

4.2.1 Each service plan includes sections on:-

- operating budgets,
- revenue growth, service reductions and cashable efficiency gains, and
- capital investment

4.2.2 Each council has submitted their revenue estimate of the funding likely to be available to the shared services. These figures (shown below) were agreed during last year's budget setting process, with the exception of the latest budget for 2012/13, which reflects changes reported to the Joint Committee during this financial year.

Revenue Operating Costs	2012/13 Latest Budget £	2013/14 Forecast Budget £	2014/15 Forecast Budget £	2015/16 Forecast Budget £
Finance	1,531,680	1,577,930	1,636,840	
Human Resources	698,600	728,520	758,100	
ICT	1,402,380	1,355,570	1,391,950	
Revenues & Benefits	2,666,220	2,772,050	2,868,060	
Total	6,298,880	6,434,070	6,654,950	

4.2.3 The costs extracted from the service plans are summarised below:

Revenue Operating Costs	2012/13 Latest Budget £	2013/14 Forecast Budget £	2014/15 Forecast Budget £	2015/16 Forecast Budget £
Finance	1,495,970	1,556,050	1,579,070	1,597,400
Human Resources	727,430	743,840	760,550	766,560
ICT	1,522,680	1,411,000	1,394,280	1,413,920
Revenues & Benefits	2,955,320	2,947,430	2,742,280	2,766,180
Total	6,701,400	6,658,320	6,476,180	6,544,060

The costs in the table above include a growth bid of £250,000 for revenues and benefits in 2013/14. This is to secure for one year external support for benefits processing (£200,000), and an additional budget (£50,000) to avoid the potential detrimental effect on collection rates of the current changes to council tax support, and for systems support. The figures exclude the potential saving from outsourcing ICT.

The two Councils have not discussed budgets for 2015/16, the figures for which

have been newly prepared, being the third year of the medium term financial plan for 2013-6.

- 4.2.4 The tables below show where the costs in the service plans exceed the funding notified to the councils last year (+) and where costs are less than those included in the two councils budgets last year (-).

Revenue Operating Costs	2012/13 Latest Budget £	2013/14 Forecast Budget £	2014/15 Forecast Budget £	2015/16 Forecast Budget £
Finance	- 35,710	- 21,880	- 57,770	
Human Resources	28,830	15,320	2,450	
ICT	120,300	55,430	2,330	
Revenues & Benefits	289,100	175,380	-125,780	
Total	402,520	224,250	- 178,770	

4.3 **Legal Issues** (Monitoring Officer)

- 4.3.1 There are no legal implications specific to this report.

4.4 **Risk Management and Health & Safety**

- 4.4.1 Any risks resulting from this report will be included in the risk register and, if necessary, managed within the appropriate service plan.

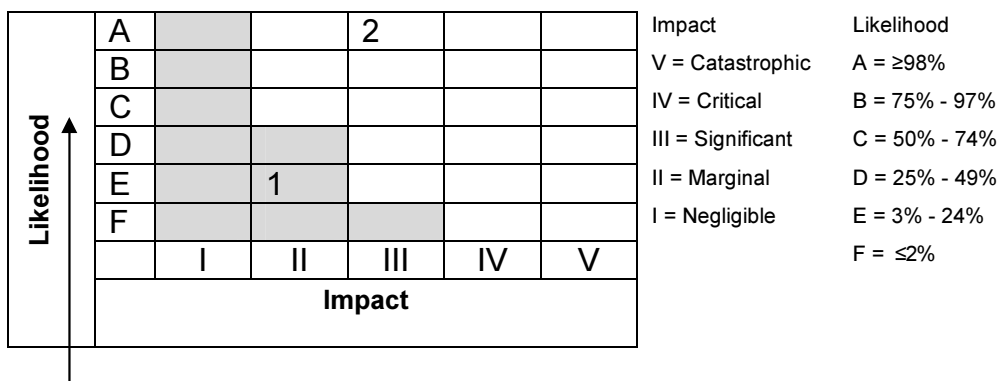
- 4.4.2 The following table gives the risk if the recommendations are agreed, together with a scored assessment of their impact and likelihood.

Description of Risk		Impact	Likelihood
1	That the resilience, improved performance and savings identified within each service plan are not achieved	II	E

- 4.4.3 The following table gives the risk that would exist if the recommendations are rejected, together with a scored assessment of their impact and likelihood:

Description of Risk		Impact	Likelihood
2	That the shared services have no service plans to work to	III	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.



4.5 Equalities

4.5.1 *Relevance Test*

Has a relevance test been completed for Equality Impact? Yes

Did the relevance test conclude a full impact assessment was required? Yes

4.5.2 *Impact Assessment*

This has been completed by an external specialist

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

4.6.1 Included in service plans where appropriate.

Appendices

- 1 Service Plan 2013-2016 – Finance
- 2 Service Plan 2013-2016 – Human Resources
- 3 Service Plan 2013-2016 – ICT
- 4 Service Plan 2013-2016 – Revenues & Benefits

Background Papers

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

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DRAFT FINANCE SERVICE PLAN 2013 - 2016

Version 0.3 – Shared Services Joint Committee 19 November 2012

This version has been compiled with Internal Audit provided through the current Shared Services arrangement.

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SECTION 1: KEY PURPOSE OF THE SERVICE

1.1 Scope of the Service

The overall objective is to provide high quality, efficient, robust and resilient services for audit, finance and fraud to the chief financial officers (s151 officers), members, budget holders, employees of the two councils, citizens and the wider public.

The services include the range of activities required to meet the s151 officers' responsibilities for a local authority. It consists of most of the services associated with the running of the finances of a local authority, including those aimed at servicing the corporate entity as well as those aimed at serving individual budget holders and service managers.

Finance is located in Rickmansworth although Internal Audit and Fraud have bases in both town halls to ensure their effectiveness.

The functions are grouped into 4 main areas:

Accountancy

- Budget setting and reporting
- Month end and annual closing of ledgers
- Reconciliations of financial management and subsidiary source systems
- Budget monitoring reports
- Draft annual budgets
- Service planning including service level changes, revenue growth & savings and capital investment
- Forecasting (in conjunction with budget holders)
- Preparation and publication of Financial Statements
- Whole of Government Accounts
- Preparation and completion of Government Returns for capital and revenue budgets, outturn and monitoring
- External audit liaison
- Provision of financial advice to budget holders and Members
- Financial policies and procedures
- Bank reconciliations and Income reconciliations
- Value Added Tax
- Financial Management System
- Treasury Management Policies & Investment Strategy
- Payroll Accounting including statutory deductions

Financial Services

- Accounts payable
- Insurances and risk advice
- Investments

Internal Audit

- Risk based system audits
- Contract and IT audits
- Value for Money
- Advice and consultancy
- Provision of assurance for effectiveness of controls and probity

Anti Fraud

- Benefit Fraud
- Corporate Fraud
- Anti-Fraud and Corruption Strategies

The Joint Committee Agreement specifies the following functions for Finance

- Making payments on behalf of the Councils
- Maintaining the accounts of the Councils
- Maintaining the system of purchase orders
- The provision of an internal audit service
- Managing the operation of the Councils' insurance;
- Issuing guidance and providing advice to members and officers of the Councils on the financial procedure rules of the Councils
- Providing training to officers working on financial matters
- Monitoring the Councils' prudent financial management and compliance with approved accounting practices and reporting to members on these matters;
- Preparation of the Councils' annual statement of accounts
- Maintenance of the Councils record of assets
- Monitoring the financial administration of external partnerships and other organisations in which the Councils are involved

- Undertaking Housing Benefit and Council Tax Benefit fraud investigations and prosecutions
- Virement within Joint Committee Budgets

The Audit, Fraud and Accountancy services operate within a number of statutory provisions including secondary legislation and statutory codes of practice. These are outlined below:

Accountancy and Audit

- Local Government Act 1972 – arrangements for the proper administration of financial affairs
- Local Government Act 1988 – reports in the public interest
- Local Government Act 2000 – full Council on the recommendation of the Executive to set approve a budget. Scrutiny of the financial processes.
- Local Government Act 2003 – medium term financial planning, budgeting and prudent balances, Prudential Code for borrowing arrangements, opinion on robustness of budgets and adequacy of reserves, budget monitoring throughout the year with Member involvement.
- CIPFA Code of Practice for Internal Audit
- Accounts and Audit Regulations 2011
- Statutory Codes for financial accounting and service accounting

Fraud

- Police and Criminal Evidence Act 1984
- Human Rights Act 1998
- Data Protection Act 1998
- Regulation of Investigatory Powers Act 2000
- Proceeds of Crime Act 2002
- Fraud Act 2006
- Social Security Administration Act 1992

1.2 Contribution to Shared Services Objectives																										
Savings	<p>Finance Shared Services met the savings required in the 2008 <i>Detailed Business Case</i>.</p> <p>Finance has met the requirements of both councils to achieve a <i>further</i> ten-percent reduction in direct costs from 2012/13.</p> <p>Four posts were deleted from the established staffing structure – one Senior Accountant, one Senior Auditor and two Accountancy Assistants.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="border-top: 1px solid black; border-bottom: 1px solid black;"></th> <th style="border-top: 1px solid black; border-bottom: 1px solid black;">2009/10 £(000)</th> <th style="border-top: 1px solid black; border-bottom: 1px solid black;">2010/11 £(000)</th> <th style="border-top: 1px solid black; border-bottom: 1px solid black;">2011/12 £(000)</th> <th style="border-top: 1px solid black; border-bottom: 1px solid black;">2012/13 £(000)</th> </tr> </thead> <tbody> <tr> <td style="border-bottom: 1px solid black;">Original Budget (Shared Services Joint Committee Sep '09)</td> <td style="border-bottom: 1px solid black;">1,728</td> <td style="border-bottom: 1px solid black;">1,711</td> <td style="border-bottom: 1px solid black;">1,755</td> <td style="border-bottom: 1px solid black;">1,808</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Outturn</td> <td style="border-bottom: 1px solid black;">1,698</td> <td style="border-bottom: 1px solid black;">1,611</td> <td style="border-bottom: 1px solid black;">1,533</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="border-bottom: 1px solid black;">Latest Budget</td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;">1,498</td> </tr> <tr> <td style="border-bottom: 1px solid black;"><i>Additional</i> Annual Savings (above the Business Case)</td> <td style="border-bottom: 1px solid black;"><u>30</u></td> <td style="border-bottom: 1px solid black;"><u>100</u></td> <td style="border-bottom: 1px solid black;"><u>222</u></td> <td style="border-bottom: 1px solid black;"><u>310</u></td> </tr> </tbody> </table> <p>The savings over the Business Case have to date been £662k.</p>		2009/10 £(000)	2010/11 £(000)	2011/12 £(000)	2012/13 £(000)	Original Budget (Shared Services Joint Committee Sep '09)	1,728	1,711	1,755	1,808	Outturn	1,698	1,611	1,533		Latest Budget				1,498	<i>Additional</i> Annual Savings (above the Business Case)	<u>30</u>	<u>100</u>	<u>222</u>	<u>310</u>
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Resilience	<p>The Accountancy service is experienced in providing a Business Partner service having operated this basis of delivery for two decades.</p> <p>The successful rotation at Finance Manager and Senior Accountant level continues with changes last effected in June 2011. The practice mitigates the effects of lean staffing and provides flexibility for wider team working and cover</p> <p>During 2012 a restructure was completed to improve resilience between the remaining accountancy staff. Staffing was reduced by four post (including Internal Audit) and costs were pared significantly. One team of four Finance Officers was introduced (previously two Treasury and Technical Officers and four Accountancy Assistants) with generic job description and working across finance work streams. This restructure is being reviewed.</p> <p>In specialist skill areas shadowing occurs to widen and strengthen the knowledge base.</p>																									

	<p>Internal Audit and Fraud teams have been designed with the emphasis on resilience and operate flat structures.</p> <p>Internal Audit has been hugely successful in achieving resilience over the last three years. Since the commencement of Shared Services, one post of Senior Auditor has been deleted and the team has, through efficiencies and increased resilience, absorbed £60k of previously bought-in services from Deloitte Touche.</p> <p>The Fraud service has also been equally successful in providing improved resilience and maintaining a high level anti fraud service since the inception of Shared Services. This is particularly important where reported incidences of fraud have increased nationally.</p>
Improved Services	<p>The standard for Finance continues to be attainment of high quality and best value.</p> <p>Cipfa benchmarking (see page 23) shows the service has –</p> <ul style="list-style-type: none"> • lowest overall cost, • lowest staffing cost and • fewest number of staff providing. <p>Key thinking continues to be few staff, professional attitudes, Finance Managers and accountancy staff who are enthusiastic, dynamic, committed and able to work in small teams. Layers of support have been stripped out and staff have been given responsibility to achieve and excel.</p> <p>The driving approach continues to be <i>one touch processing</i> and <i>right first time</i>.</p> <p>As can be evidenced from Contribution to Shared Services Objectives (see 1.2 above), Benchmarking (see 3.4 below) and in-depth annual reviews by Grant Thornton, this approach has been highly successful. This path continues with all future thinking.</p> <p>Internal Audit receives an in-depth examination each year by Grant Thornton who rely extensively on reviews by Internal Audit. The Service continues to receive a clean bill of health. The Audit Manger has, in addition, extended the range of additional services provided and has improved practices of internal reporting on implementation of recommendations to leadership/management teams and audit committees.</p> <p>The Fraud Service have been actively considering exposure to fraud risk. We have through new harmonised strategies pursued a more aggressive and preventative strategy making better use of data analytics and credit reference agency checks to prevent fraud, adopted tried and tested methods for tackling fraud in risk areas - such as blue badge scheme misuse and followed best practice to drive down Housing Tenancy and Single Person Discount fraud, worked in partnership with other service providers to tackle organised fraud across local services including corporate fraud and are developing approaches to recruitment and procurement fraud.</p>

1.3 Contribution to the Councils' Strategic Objectives	
Three Rivers District Council	<i>"The District should remain a prosperous, safe and healthy place where people want and are able, to live and work"</i>
Safety and Well-being	We will support and enable the Council and its services to meet these objectives
Clean and Green	
Economic Opportunities	
Customer Service	
Watford Borough Council	<i>"A successful town in which people are proud to live, work, study and visit"</i>
Making Watford a Better Place to Live	We will support and enable the Council and its services to meet these objectives
To Provide the Strategic Lead for Watford's Sustainable Economic Growth	
Promote an Active, Cohesive & Well-Informed Town	
Operating the Council Efficiently and Effectively	

1.4 The Future of the Service

Finance provides **three main businesses** – Internal Audit, Fraud Investigation and Accountancy. Section 1.1 (above) provides details on the extensive range of activities within each of these divisions. Over the last three years there have been significant changes with many functions added to the tasks at the outset of Finance Shared Services. This has been successfully accomplished whilst reducing the cost base by a further seventeen percent.

Change continues and Finance is ready to face new challenges to secure continuing improvements. The strategic aim is for continuous improvement with more efficiencies, a reduced cost base and acceptable levels of risk to both councils and the Shared Services Joint Committee.

Internal Audit - The councils are seeking to further reduce service costs whilst maintaining service levels and this may lead to new provision arrangements in 2013. This draft Service Plan is based on current arrangements and costed accordingly.

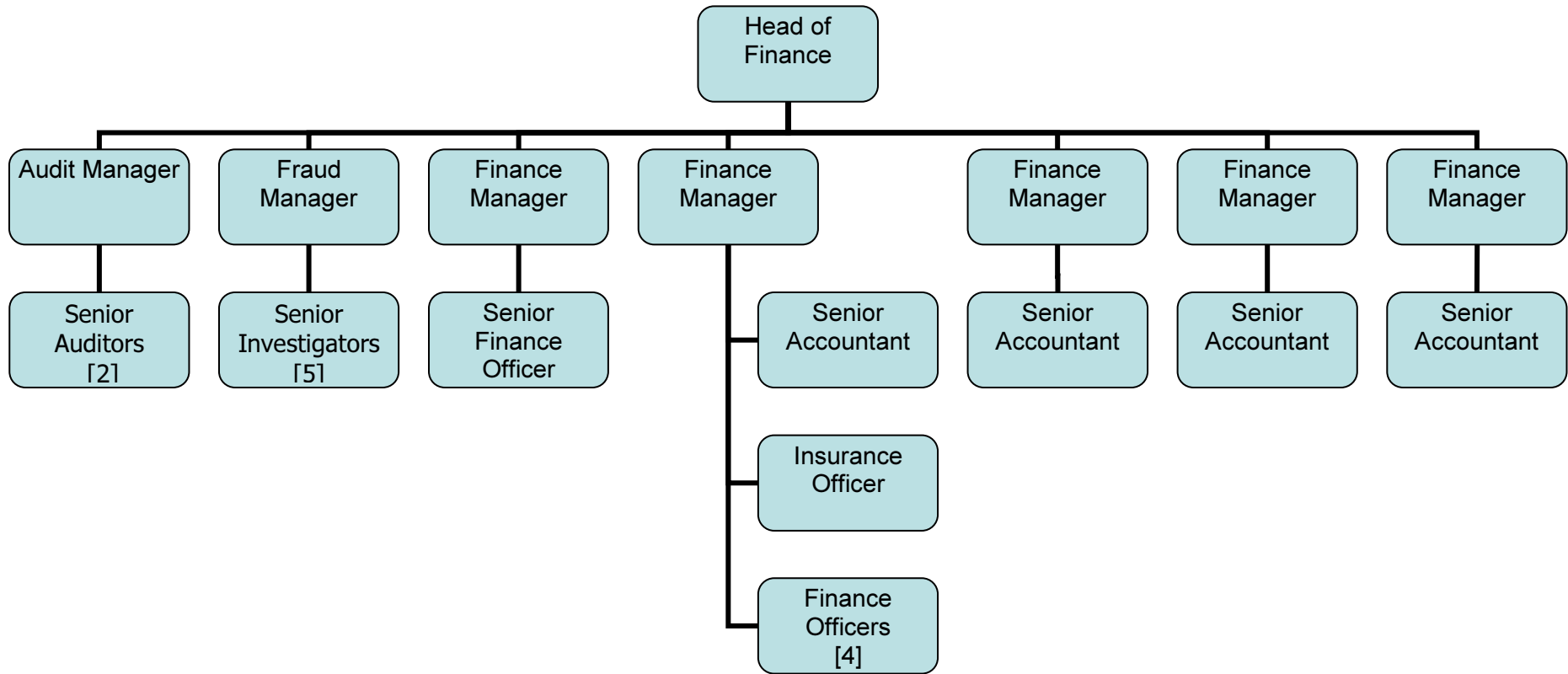
Fraud Investigation - the Government proposed the creation of a single fraud investigation service (SFIS) with additional statutory powers to investigate and sanction all benefit and tax credit offences which will combine relevant resources across Local Authorities, HMRC, and DWP. The service will investigate Universal Credit fraud as well as legacy benefit and Tax Credit offences. It is envisaged from 2013 there will be some harmonised sanction policies with the DWP. Staff will continue to be employed by the respective local authorities with the remit to investigate all benefits that are administered by councils, HMRC and DWP. Implementation of SFIS continues to experience substantial delays. The Government continues to highlight increased risks of fraud and error. The National Fraud Authority report *Fighting Fraud Locally* and was specific to local government and requires a genuine partnership between local and central government and a strategic approach. It recognises that the role of central government is to create the right conditions for local authorities to take the necessary initiatives. This means creating the right incentives to reward councils that reduce fraud; removing barriers to appropriate information-sharing; and providing professional staff with the necessary investigative power. It recommends response to all areas of fraud across housing tenancy, procurement, pay, pensions, recruitment; council tax, grant and blue badge schemes. The Fraud service is reviewing counter-fraud arrangements and exposure to these fraud risk areas, better use of data analytics and more partnership working. The service will continue to monitor the new local council tax in 2013 and minimise fraud occurring at the gateway. All approaches will support the fraud and error vision to minimise fraud and error through awareness, prevention and enforcement.

Accountancy - every effort will be made to secure greater efficiencies with smarter working and empowering clients with knowledge and skills to increase financial abilities. Success levels will have dependencies on the partnerships with both councils and the agreement of common procedures for example, accounting policies, financial procedures, risk management framework, budgeting and financial planning arrangements, reporting formats and the expected financial competencies of managers and budget holders. Service provision and possible overlaps are currently being explored with Revenues and Benefits in the functions of income management, income and bank reconciliations and sundry debtors. Partial service redesign following staffing reductions in 2012 will be reviewed to assess if objectives are being achieved. Outsourcing of services with client councils may lead to further significant cost reductions.

SECTION 2: INPUTS

2.1 People

Organisation Chart



FINANCE SHARED SERVICES ESTABLISHMENT				
Job Title	Grade	No.	FTEs	Currently Vacant
Audit Manager	10	1	1	0
Senior Auditor	8	2	2	0
Fraud Manager	10	1	1	0
Senior Fraud Investigator	7	5	5	0
Head of Finance	MG4	1	1	0
Insurance Officer	6	2	1	0
Finance Manager	10	5	5	0
Senior Accountant	8	4	4	0
Senior Finance Officer	8	1	1	0
Finance Officer	6	4	4	0

2.2 Workforce Planning			
Workload – Trends & Changes	Staffing Implications – Impact on Service & Individuals	Options & Preferred Solutions	Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service
Age Profile	<p>The majority of both key and senior accountancy positions are occupied by long-serving and highly experienced professionals eligible to retire in the short term.</p> <p>Age profiles in Internal Audit and Benefit Fraud do not pose difficulties in this service plan.</p>	<p>Senior staff must be retained to ensure achievement of business objectives.</p> <p>One key member has opted for flexible retirement (October 2012). It is expected a similar arrangement can be agreed with another key accountant for early 2014.</p> <p>Loss of several key staff may necessitate an overall FTE increase.</p> <p>Incentives to retain key staff should be implemented.</p>	<p>The risk of senior staff leaving in the same timeframe has increased each year and now has arrived at the tipping point.</p> <p>Retirements will have a substantial impact on viability and service delivery and may demand an increase in organisation size and cost.</p>
Market Pay	<p>Market rates of pay will need to be regularly reviewed. The economic climate is not expected to impact on the jobs market in the first year of this Service Plan. Achievement of Best in Class required investment in the best systems, procedures and staff. Procurement rules have bias to lowest system and implementation costs. Not possible to agree fundamental harmonisation requirements. Market pay is based on 62nd percentile for non-shared service organisations.</p>	<p>Review of basis and methodology for application of market factors within a shared service environment. Evidence shows that qualified accountants in our shared services are not remunerated to the levels comparable in nearby London Boroughs and similar sized authorities.</p>	<p>For the lean structure (and getting leaner whilst taking on additional functions) it is essential that finance shared services staff are well above average for knowledge, skills, commitment and engagement.</p> <p>This will require competitive market rates for remuneration together with a premium. Market factors (reviewed annually) have been applied to Senior Auditors and Finance Managers.</p> <p>The Joint Management Boards were requested to apply current market factors.</p>
Succession Planning	<p>Experienced and long serving accountants have been key to securing success and low cost (see Benchmarking).</p>	<p>Continued recognition of skills and age balance (within equalities requirements) for future recruitments.</p>	<p>Action taken had supported a sustainable workforce but deletion of less senior posts has reduced the opportunity to secure effective succession planning.</p>

2.3 Partnerships & Contracts	
Partner / Partnership	Expected Outcomes
Deloitte Touche	DT used to provide additional audit days (c.28 days to assist with meeting the Audit Plan for ICT reviews.
LA VAT	Currently use LAVAT for provision of specialist VAT advice.
Treasury Advisers – Sector	Both councils use the services of Sector.
Insurances	Currently use Zurich for all insurance. New contracts required from April 2013 and procurement process under way.
Banking Services	Extended contracts agreed from April 2013.

2.4 Assets & Technology
<p>Equipment</p> <p>Workstations each member of staff with IT access. 3 desktop HP printers and access to all central printers. Two of these workstations connected to specialist laser cheque printer.</p> <p>Scanning and document management facilities.</p> <p>One workstation with BACS security transmission facilities.</p> <p>Remote access to network.</p> <p>Cheque Printer.</p> <p>Phones, Fax, Copying, Recording Equipment, Scanning, Mobile Working, Home Working.</p>
<p>Land and Property</p> <p>Suitable office environment for all sections.</p> <p>Hot desk facilities at Watford for Finance.</p> <p>Internal Audit – office accommodation/filing/IT facilities on both sites.</p> <p>Fraud – office accommodation/filing/IT facilities on both sites.</p> <p>Accommodation at Three Rivers for External Audit.</p>
<p>Vehicles</p> <p>Vehicles required to attend meetings or off-site locations including outside normal hours and outside districts. Vehicles are also required by fraud for surveillance, house visits, statement taking, risk assessments and visiting external agencies.</p>
<p>IT systems</p> <p>Internal Audit – IDEA (data extraction/matching)</p> <p>Advanced Business Solutions (COA eFinancials)</p> <p>Aptos (archive facilities)</p> <p>Radius PowerSolve (archive facilities)</p> <p>On-Line Banking & Treasury Management</p> <p>Microsoft Office Applications</p> <p>Financial Management System (new)</p> <p>Fraud Module (within Benefits system)</p> <p>BACs</p>

2.5 Revenue Budgets

Draft Estimates	2012/13	2013/14	2014/15	2015/16
	Revised	Original	Original	Original
	£	£	£	£
Employees	1,335,870	1,390,050	1,419,670	1,438,000
Transport	17,700	16,700	16,700	16,700
Supplies and Services	144,900	151,800	145,200	145,200
External Income	-2,500	-2,500	-2,500	-2,500
Total	1,495,970	1,556,050	1,579,070	1,597,400
<i>Budgets agreed by the Joint Committee November 2011</i>				
Employees	1,357,250	1,409,800	1,468,710	-
Transport	17,630	17,630	17,630	-
Supplies and Services	156,800	150,500	150,500	-
External Income				-
Total	1,531,680	1,577,930	1,636,840	-
Additional Savings (-) / Costs	-35,710	-21,880	-57,770	-

2.6		Revenue Growth, Service Reductions and Cashable Efficiency Gains			
		Description	2013/14 £	2014/15 £	2015/16 £
1	Potential Growth Nil		0	0	0
			0	0	0
2	Service Reductions Nil Total		0	0	0
			0	0	0
3	Cashable Efficiency Gains Nil Total		0	0	0
			0	0	0

2.7		Capital Investment	
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Scheme Name	New Scheme	Capital				Revenue Implications			
		2013/14	2014/15	2015/16	Future Years	2013/14	2014/15	2015/16	Future Years
		£	£	£	£	£	£	£	£
Nil		0	0	0	0	0	0	0	0

SECTION 3: OUTPUTS AND OUTCOMES

3.1 Customer insight and consultation

I Customer access channels

Service Area	Information Access	Service Access
Financial Advice	Email, internet, intranet, letter, telephone, meetings, training events, face to face	Email, internet, intranet, letter, telephone, meetings, training events, face to face
Financial Management System		
Internal Audit		
Fraud		
Supplier and Customer Payments		
Insurance		

II Customer identification and segmentation data

Service provided	Customer group	Segmentation data held
Internal Audit	Statutory function. External auditors Internal – Staff, occasionally public	Individuals at all levels – job title, name, department, email address etc. Mostly systems and procedures interrogation.
Anti-fraud and corruption	Benefit fraud – tip-offs and information from public (via hotlines, letters), data matching, DWP, HMRC Systems information about individuals, e.g. MOSAIC information	Tip offs – mostly anonymous. As below, NI numbers, bank account details, personnel records. Details of partnership agencies, e.g. DWP.
Creditors payment	External – suppliers of goods and services	Address, creditor's name, VAT number, Head office/business addresses. Income Tax status for some.
Treasury	Banks, building societies, investment advice agencies	Business addresses.
Insurances	External Claimants – public, internal	Claim form details, name, DOB, claimant details, incident details.
Accountancy	Service level service planning, budget monitoring, financial advice.	Service heads/managers – name, department, position, email address.

III Communication and consultation methods

Service provided	Inform	Consult	Engage
Internal Audit	Audit plan – public document Reports – disseminated to Services.	Timeframes for consultation implementation. Audit plan is assessed by Heads of Services and this is open to review.	Committees, Audit, Resources Policy Panel.
Anti-fraud and corruption	Tip-off publicity – website, advertisements on TV, radio etc. (National campaigns) National fraud hotline?	Respond to National initiatives – report on satisfaction.	Successful prosecutions – National press. Also serves as a deterrent.
Creditors payment	Internal, demand-led service.	Internal. This is the end of a process – CP authorise payments. Contact only foreseen if customers enter into complaints process in the case of late payment.	Shared Services Join Committee.
Treasury	Contact with banks and building societies are direct and through brokers.	Market conditions.	Committees – Annual, and 6 monthly review-back looking report Risk management and overall strategy.
Insurances	Insurance companies have involvement and conduct investigations etc. TRDC's remit is to check policies are OK.		No formal reporting strategy but linked to budget monitoring.
Accountancy	Annual report, published on website, letters.	Statutory obligation to consult with commercial representatives and internally - Heads of Services, Members, etc.	Annual report published internally and made available publically.

IV Customer satisfaction measures

Service provided	Measure	Collection method	Timescale for consultation - start date and regularity	Baseline result	Target
Internal Audit	Satisfaction with service provided	Contractor-led satisfaction survey (rolling questionnaire) Internal Audit/inspection	Administered after each audit		
	Quality of service				
Anti-fraud and corruption	Satisfaction	Service provision questionnaire	Annual		
	Quality of service	Internal Audit/inspection			
Creditors payment	Satisfaction with service	Questionnaire planned			
	Quality of service	Internal Audit/inspection			
Treasury	Satisfaction with service	Questionnaire planned			
	Quality of service	Internal Audit/inspection			
Insurances	Satisfaction	Survey of internal and external customers Financial Management Model – collecting comments from users	One-off survey 2006/7	CIPFA collate results and produce compliance scores on aspects of service standards	
	Quality of service	Internal Audit/inspection			
Accountancy	Satisfaction with service	Benchmarking across other authorities/organisations			
	Quality of service	Internal Audit/inspection			

V Learning from customer consultation

Question	Answer
What key findings has customer consultation work identified in the last year for each service area? Have the needs of a specific customer group been identified?	Customer Insight and consultation new element in service plan
What has been done as a result of customer consultation?	Customer Insight and consultation new element in service plan
How have you feed back to customers that have been consulted?	Customer Insight and consultation new element in service plan
How effective were the consultation methods used? What changes are proposed?	Anti-fraud and corruption service provision questionnaire led to the creation of 12 SLAs

3.2 Service Level Agreements

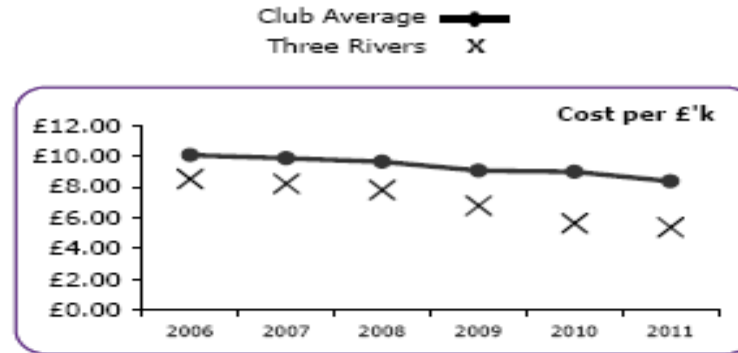
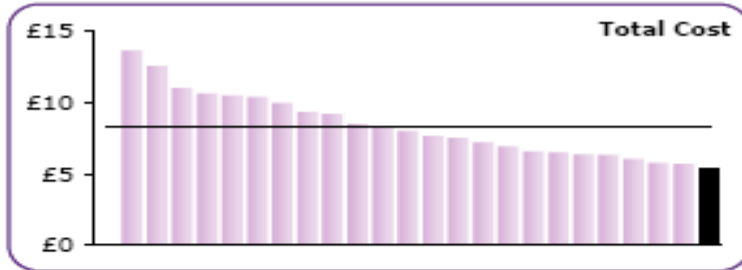
Service Level Agreements were reviewed in 2012 and no changes were required. No services are to be deleted.

3.3 Performance Indicators

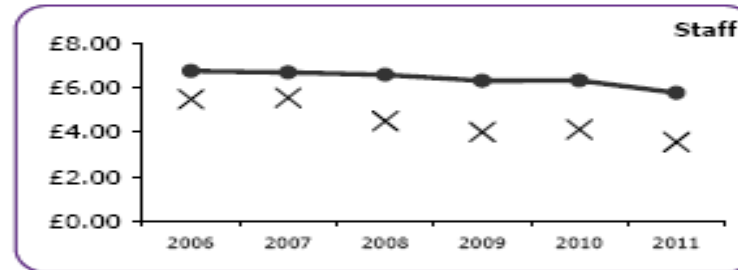
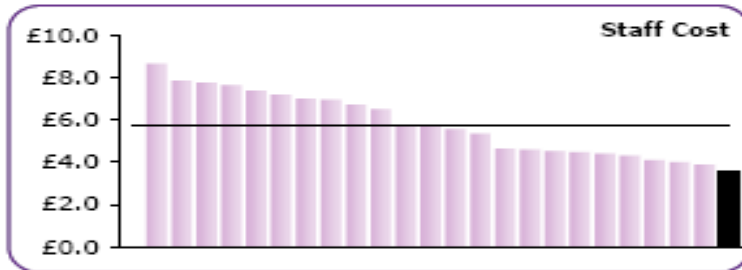
PI Reference	Description	Frequency	Target
SSF1	% payment made by BACS	Quarterly	90%
SSF2	Creditor payments paid within 30 days	Quarterly	100%
SSF3	Treasury , Investments and Banking Services Management of short and long term cash flow	Annual	1.3% [WBC] Average Base Rate + 0.12% (TRDC)
SSF4	Month end account closure – reconciliations	Monthly	Task Completed
SSF5	Monthly Budget Monitoring Reports – Overall Revenue Budget Performance	Annual	-3% to 0%

PI Reference	Description	Frequency	Target
SSF6	Monthly Budget Monitoring Reports – Overall Capital Budget Performance	Annual	-3% to 0%
SSF7	Closure of Annual Accounts and production of statements – Statement of Accounts approval	Annual	Task Completed
SSF8	Compilation of government returns – revenue account, revenue summary, capital outturn – (RA, RS,CO)	Annual	Task Completed
SSF9	Benefit Fraud – number of cases investigated	Annual	330
SSF10	Benefit Fraud – Number of sanctions administered	Annual	62
SSF11	The proportion of internal audit recommendations that have been implemented within their agreed timescales.	Quarterly	100% [WBC]

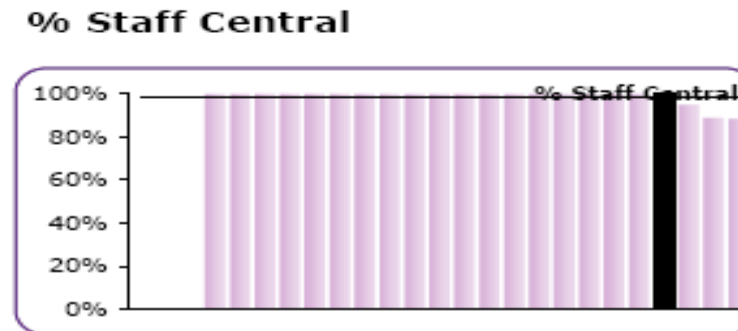
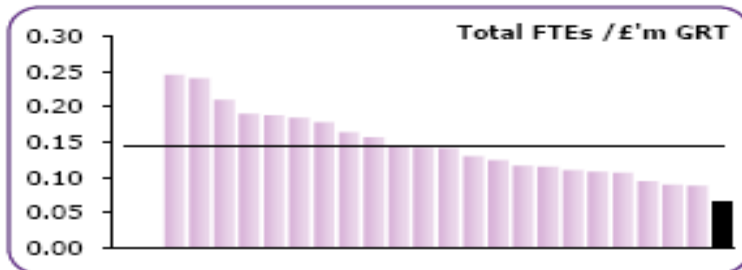
Total Cost per £'k GRT 2011/12
Rows 1-8



Staff Cost / £'k GRT 2011/12



Total FTEs per £'m GRT



CENTRAL ACCOUNTANCY SECTION

1 Accountancy Section

Question		Performance Score						Total	Avg	St Dev
		1	2	3	4	5	6			
1.1	Understanding of your Service	4	1	1	14	33	14	67	4.69	1.21
1.2	Proactive approach	2	4	2	11	32	15	66	4.70	1.21
1.3	Communication with you	3	2	0	14	29	18	66	4.79	1.20
1.4	Financial training for non-finance staff	3	2	6	18	20	11	60	4.38	1.27
1.5	Handling your complaints	2	0	0	6	26	10	44	4.91	1.04

2 Accountancy Staff

Question		Performance Score						Total	Avg	St Dev
		1	2	3	4	5	6			
2.1	Approachability and helpfulness	4	1	0	1	28	34	68	5.21	1.24
2.2	Speed of response to enquiries	3	1	0	8	28	27	67	5.06	1.17
2.3	Adequacy of response to enquiries	3	1	0	5	29	29	67	5.13	1.16
2.4	Clarity/User friendliness of response	3	2	2	5	26	30	68	5.04	1.27

3 Provision of financial information for reports etc.

Question		Performance Score						Total	Avg	St Dev
		1	2	3	4	5	6			
3.1	Adequacy	2	0	0	13	30	14	59	4.88	0.99
3.2	Timeliness	2	1	2	15	25	15	60	4.75	1.12
3.3	Clarity/User friendliness	3	0	1	14	28	14	60	4.77	1.13

4 Budget Preparation

Question		Performance Score						Total	Avg	St Dev
		1	2	3	4	5	6			
4.1	Adequacy of working papers/guidance	2	0	0	12	29	10	53	4.81	0.99
4.2	Consultation with your Service	2	0	0	13	29	7	51	4.73	0.97
4.3	Clarity/User friendliness	2	0	0	14	25	11	52	4.79	1.03

5 Budget Monitoring

Question		Performance Score								
		1	2	3	4	5	6	Total	Avg	St Dev
5.1	Consultation on report production	2	0	4	14	26	8	54	4.59	1.06
5.2	Timeliness of information	2	0	4	12	27	10	55	4.67	1.08
5.3	Clarity/User friendliness	2	1	2	13	29	10	57	4.68	1.08
5.4	Usefulness of information	2	0	0	12	34	8	56	4.79	0.94

6 Final Accounts Procedures

Question		Performance Score								
		1	2	3	4	5	6	Total	Avg	St Dev
6.1	Timeliness of instructions	2	1	2	11	27	16	59	4.83	1.12
6.2	Adequacy/ reasonableness of instructions	2	1	2	12	30	12	59	4.75	1.08

7 Overall rating

Question		Performance Score								
		1	2	3	4	5	6	Total	Avg	St Dev
7	Overall rating	3	1	0	12	33	20	69	4.90	1.13

3.5 Outstanding Recommendations of External Inspections

Insert here the name of the Inspectorate – the title of their report from which the recommended action has come – and the date of the report

<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
None					

3.6

Projects

There are no specific projects for Finance.

Business as usual requires Finance provide support to corporate projects, for example service redesign or outsourcing Waste, Recycling, Parks and Street Care (Watford), outsourcing ICT (Shared Services), Future Council, local council tax support, retention of business rates and emerging initiatives.

3.7**Equalities**

The Equalities Act 2010 includes a new public sector equality duty (both a general duty and specific duties), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The duty places a range of steps that are legally required by local authorities covering issues such as: assessing relevance, using and publishing equality information, engagement, equality analysis, equality objectives, commissioning & procurement and business planning & reporting.

Finance Shared Services will integrate the general equality duty into service planning and will ensure that Equality Impact Assessments are conducted wherever appropriate.

3.8 Risk Management

FINANCE RISK REGISTER

All Services Operational Risks							
Risk	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
1	Insufficient staff	Service Disruption	I	E	Need to ensure full establishment and recruitment actions maintain quality to deliver. Further staff reductions in 2012 have increased risk.	Requires Treatment	Accept
		Financial Loss	II			Last Review Date	01/11/12
		Reputation	III			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	
2	Failure of ICT Systems	Service Disruption	II	E	AP is a key business function.	Requires Treatment	Accept
		Financial Loss	I			Last Review Date	01/11/12
		Reputation	III			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	
3	Loss of Accommodation	Service Disruption	II	F	AP is a key business function.	Requires Treatment	No
		Financial Loss	I			Last Review Date	01/11/12
		Reputation	III			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	

Finance Service Operational Risks							
Risk	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
4	Fraudulent Activity	Service Disruption	III	E	Increased threat of cybercrime	Requires Treatment	Accept
		Financial Loss	IV			Last Review Date	01/11/12
		Reputation	IV			Next Milestone Date	None
		Legal Implications	II			Next Review Date	01/09/13
		People	I			Date Closed	
5	Mortgagors default	Service Disruption	I	F	Loss of capital receipt and need to invoke legal procedures for restoration.	Requires Treatment	No
		Financial Loss	I			Last Review Date	01/11/12
		Reputation	I			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	
6	Progress against Audit recommendations is not monitored, they are not implemented and internal controls are therefore weakened	Service Disruption	I	F	If Internal Audit recommendations are not implemented essential controls will be inadequate and the Council's governance arrangements will be weakened.	Requires Treatment	No
		Financial Loss	III			Last Review Date	01/11/12
		Reputation	III			Next Milestone Date	None
		Legal Implications	II			Next Review Date	01/09/13
		People	I			Date Closed	
7	Failure to renew banking services contract. [Banking Contract successfully renewed in 2012]	Service Disruption	II	F	Failure to ensure banking arrangements in place will have serious impacts on council cash flows and inability to meet needs of customers and suppliers with major impact on the vulnerable.	Requires Treatment	No
		Financial Loss	I			Last Review Date	01/11/12
		Reputation	I			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	
8	Fail to close Accounts on time	Service Disruption	III	F	2011/12 Accounts for Watford, Three Rivers and Shared Services closed and reported on time.	Requires Treatment	Accept
		Financial Loss	1			Last Review Date	01/11/12
		Reputation	III			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	

Version Control

Version No.	Date	Reason for Update / Significant Changes	Made By
0.1	12/09/03	Draft for discussion with Audit Manager & Fraud Manager	AP
0.2	12/09/20	Draft for discussion with Finance Shared Services Staff	AP
0.3	12/10/30	Draft for discussion with Shared Services Management Team	AP
0.4	12/11/05	Draft for Shared Services Joint Committee November 2012	AP

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HUMAN RESOURCES SERVICE PLAN

2013 - 2016

Version 0.2 – Shared Services Joint Committee – 19 November 2012

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SECTION 1: KEY PURPOSE OF THE SERVICE

1.1 Scope of the Service

a) Introduction

The role of the Shared Human Resource (HR) Service is to provide a proactive and responsive advisory and support service in relation to corporate health and safety, learning and development, employment and payroll. As set out in section 1.3 of this service plan, the Shared HR service will contribute to the corporate governance and assist in the achievement of the aims and objectives of both Watford Borough and Three Rivers District Council. The shared HR service will be based in Watford Council offices.

Our internal customers include Management Board (Three Rivers), Leadership team (Watford), Service Heads, Line Managers and Staff in both authorities and Elected Members. External customers include users of the Criminal Records Bureau umbrella body service, job applicants, work placements and the organisations we work in partnership with to deliver our service. Services are provided to West Herts Crematorium on a client basis and occasionally to Parish Councils (Three Rivers DC).

Services are currently delivered face to face, over the phone, by email or via the intranet. Manager and employee self service are available via Resource Link, the HR and Payroll information system (HRIS)

Although many of the services provided by the Shared HR service are discretionary, Health and Safety has a strong compliance element and the service will need to develop policies and procedures and advise on compliance with employment law. There will also be a requirement to return employment data to the Office for National Statistics and the Department for Work and Pensions.

b) What services are provided?

- ✚ Advice and support to managers on a range of HR related issues including employee relations
- ✚ Advice and support with organisational change, restructuring, redundancy and redeployment
- ✚ Corporate health and safety advice and training
- ✚ Workforce development planning – workforce profiling, skills gap analysis
- ✚ Achieve and retain where applicable corporate accreditations (IIP, Customer Service Excellence, Two Ticks)
- ✚ Training and development – analysis of corporate needs from performance appraisal
- ✚ Recruitment – policy, procedural advice and support
- ✚ Services and responsibilities as a Registered and Umbrella Body for Criminal Records Bureau (CRB) checks
- ✚ Pre-employment checks – references, medical, work permits, CRB checks
- ✚ Employment contracts – casual, temporary and permanent
- ✚ Induction – Corporate induction, monitoring and review of departmental induction activities
- ✚ Job evaluation
- ✚ Pay and reward strategy

- # Development and review of HR and learning and development policies and processes
- # Consulting and negotiating with trade union / staff representatives
- # Provision of management information including organisational health performance indicators, statistical surveys, absence reports
- # Welfare services – outplacement services, counselling, mediation
- # Payroll (via managed service contract)

1.2 Contribution to Shared Services Objectives

Savings

The Shared HR service will be part of a wider shared service initiative between Watford Borough and Three Rivers District Council. The overall savings of this venture were £1.6 million for 2009/10 (£400,000 for Three Rivers and £1,200,000 for Watford).

Due to a reduction in time and effort spent, savings will be made in the following areas :

When creating or revising employment policies or procedures in response to legislative changes, best practice or harmonisation

When implementing employee benefits (i.e. childcare vouchers, home computing initiative)

When bench marking, preparing for corporate service assessments (Customer Service Excellence, liP, Two Ticks), service planning, performance monitoring.

Policy harmonisation (annual leave, recruitment, grievance and disciplinary as priority areas)

It is also intended to align the performance appraisal cycles in both authorities from February 2013 so that a joint approach can be taken to training needs analysis, workforce development planning and the design and delivery of training and development activities.

In the case of occupational health and welfare services (i.e. outplacement, counselling, mediation), greater value of money should be realised through increased bargaining power and the consolidation of our joint needs. For example, only one subscription to an on-line employment advice website will be required, job advertisements could be consolidated and customers in both authorities would benefit from the return on investment in learning and development events and materials.

Investment in one sophisticated HR and payroll information system (with one annual licence fee and one set of training requirements) will enable a reduction in time spent collecting and producing data and management reports. This system will enable more paperless HR and payroll processes which will result in further savings.

Health and Safety advice for Watford and Three Rivers will be sourced via Hertfordshire County Council, representing a saving of approximately £20,000 per annum. The annual cost of this advice will be shared between both Councils and the HCC adviser will continue to provide advice and support to both councils.

Further fee paying clients will also be sought to increase income and therefore reduce overall cost to both councils.

Resilience	<p>Combining the strengths, experience and knowledge of the officers in both HR teams will be of benefit to customers in both councils. There should be less disruption to service during periods of annual leave or sickness.</p> <p>The shared HR service has developed a multi-skilled first line enquiry service which will provide cover throughout operating hours and the self-service aspects of the HR and payroll information system which will provide an additional means of access to some HR and payroll services.</p>
Improved Services	<p>In addition to the improvements by virtue of greater resilience as described above, the shared HR service will deliver the following service improvements :</p> <p>The Charter Mark standard was replaced by Customer Service Excellence in 2009 and this standard was achieved by the shared HR service. This demonstrates that high standards of service are set, a customer-orientated ethos is developed and HR staff are motivated with high levels of job satisfaction resulting in excellent services to customers.</p> <p>Investment in one sophisticated HR and payroll information system will make a greater degree of information available to customers through its self service features. It will also make routine payroll and HR transactions more streamlined, customer orientated and paperless and enable a responsive and quality service in respect of producing HR statistics and management reports. Storing payroll and HR data held in one place will improve data quality as it is more likely to be accurate and up to date. Enabling paperless processes and improving access to up to date, accurate and meaningful HR and pay data should empower and make life easier for our customers.</p> <p>The shared HR service will include four full time equivalent HR business partners who work with dedicated service areas in the two councils to enable HR to gain a greater depth of understanding of their needs, to enable relevant and responsive HR services.</p> <p>Customers in both authorities should benefit from a greater choice of shared relevant, accessible learning and development resources and activities.</p>

1.3 Contribution to the Councils' Strategic Objectives

Three Rivers District Council

The shared HR service will help service managers to ensure that the right people are in the right place at the right time in order to achieve individual, service and strategic objectives. The shared HR service will also directly contribute to Three Rivers strategic objectives as follows:

Safety and Well being

Voluntary organisations in the community will continue to be able to access a free of charge Criminal Record Bureau (CRB) quality checking and countersigning service under the Three Rivers umbrella body arrangement. This helps to ensure the safety of children, vulnerable adults and other users of voluntary services and activities in the district.

Clean and Green

Customers - A full staff survey took place during the Autumn of 2011 the results of which helped to establish the extent to which we meet the needs and expectations of our internal customers. A customer satisfaction survey took place in September 2011. Once again this has helped to establish whether HR customer satisfaction levels increase or reduce under a shared service arrangement and help to identify areas for improvement. HR subscribe to CIPFA benchmarking data on an annual basis and this provides a good source for comparison against other Districts within Hertfordshire.

Economic Opportunities

To ensure that our recruitment and development activities and employment processes promote opportunity for job applicants and existing staff with disabilities the service will maintain the standard required to achieve and maintain the Two Ticks disability symbol. The service will ensure that recruitment and selection processes continue to be fair, transparent, free of bias or discrimination of any kind and continue to spot check recruitment and selection practices.

Finance - We will consider adopting the arrangement in Watford whereby agency workers are supplied through a vendor neutral supplier where appropriate; this should result in some savings through increased bargaining power and therefore lower hourly rates also through reduced administration and reduced risk of claims of accrued employment rights. We will seek to benchmark our service against other similar shared HR services wherever possible.

Operations – Employment procedures that exist to eliminate performance problems such as disciplinary, capability and absence management procedures have statutory or locally agreed timescales and response times. These will be adhered to and where possible, amended to ensure they continue to be thorough, fair and do not use up more time than is necessary. The performance appraisal forms and process will be improved to enable timely completion of appraisals and therefore timely design and delivery of the necessary learning and development activity. We will continue to strive to have the lowest sickness absence rates in the County to

Customer Service	<p>minimise any impact on service delivery arising from illness. We will continue to develop ways to motivate and provide job satisfaction for all our employees so that outputs are high, turnover is low and recruitment costs are kept to a minimum. Performance statistics for the HR service (other than corporate health) will be established to monitor the time taken to turnaround HR activities, cost per activity and then targets for improvement will be set. See also Section 1.2 'Improved Services'.</p> <p>Capacity - The service will use the Investors In People framework to ensure that our staff are properly trained, developed and motivated to deliver service and corporate objectives and provide high quality services to the public. The service will also provide training and development opportunities for Elected Members.</p> <p>Data Quality - Performance Indicators for the HR service will be reviewed to ensure that they are valid, relevant, accurate, reliable and can be produced within necessary time scales</p> <p>Absence Management – Three Rivers has one of the lowest absence rates in the County and has agreed a target of 6.5 days absence on average per employee. In addition the Nurse Contact facility operated in Watford has been extended to Three Rivers DC shared services employees, which will assist managers as there will no longer be 2 systems to administer.</p>
Watford Borough Council	
<p>Making Watford a better place to live</p> <p>To provide the strategic lead for Watford's sustainable economic growth</p> <p>Promoting an active, cohesive & well informed Town</p> <p>Operating the Council efficiently & effectively</p>	<p>HR's contribution is to the strategic objectives is CP 4 operating the Council efficiently and effectively:</p> <p>Sickness Management – the implementation of the Nurse Contact Centre service with on-line real time sickness data for managers and quarterly review meetings with Heads of Service on analysis of trends, sickness statistics and performance of managers on conducting return to work interviews has cut sickness absence to an average of 8.5 days per employee for the years 2010/2011 and 2012/13, which is the lowest in Watford's recent history. This contract has been extended for 2 further years and therefore the service will continue in 2012/13 and 2013/14. Watford has also undertaken a review of sickness absence and introduced a range of measures designed to help employees return to work as soon as possible after absence. In light of this additional support, the sickness absence target has been revised to 6.5 days across both Watford and Three Rivers employees. The physiotherapy service for employees on sickness absence for musculo-skeletal conditions has cut the duration of such absences. The combined effects of these initiatives should enable greater inroads into sickness absence in the next calendar year. Revised stretch targets for sickness absence have been introduced for 2012/13 of 6.5 days per employee for both Watford and Three Rivers Councils.</p>

Influence and partnership delivery	<p>Review of Management Development Programme and Talent Management initiatives – should make more effective use of talent in the organisation and enhance succession planning. New leadership and management development programmes have been introduced during 2011/12 with further modules being available during 2012/13. A new E Learning system, purchased via East of England LGA, will be introduced towards the end of 2012/13 and will be available for on line training for employees of both Councils.</p> <p>Supporting organisational change – HR will continue to support organisational change and value for money initiatives</p> <p>Equal Pay – The Watford pay and grading model coupled with the job evaluation and moderation process help to ensure there is a robust and definitive pay model in place to continue to reduce the risk of equal pay challenge. An external review was undertaken in summer 2012 and the pay model confirmed as being free from bias or equal pay discrimination.</p> <p>Health and Safety – the conclusions of the review of Health and Safety approaches will be implemented and training take place on corporate manslaughter to minimise organisational risks</p>
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1.4 The Future of the Service

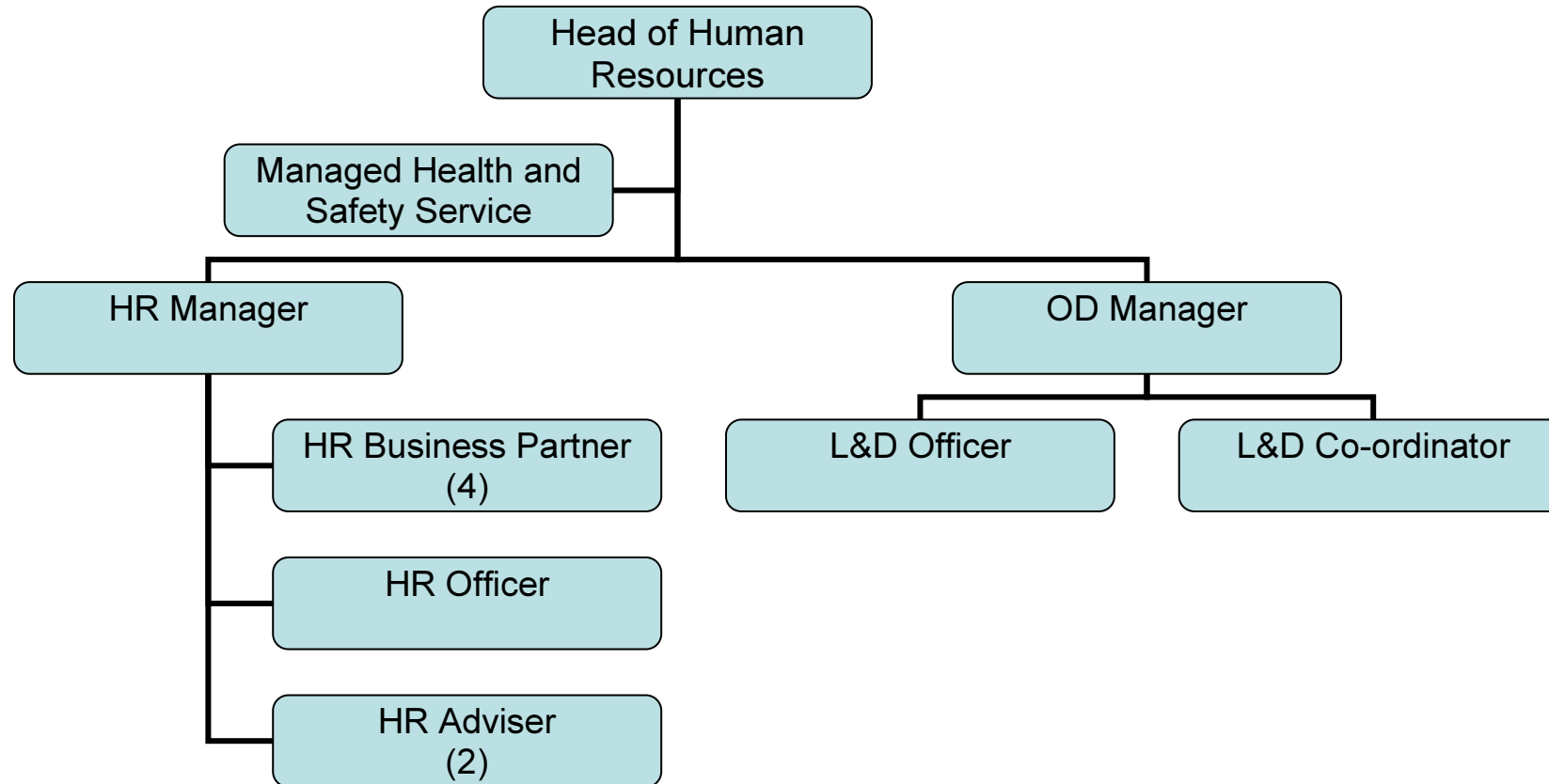
Priority areas for improvement and development for the next three years (2013 – 2016)

- ✚ Extend HR Shared Service approach to other Districts and Parish Council in Hertfordshire
- ✚ Extend learning and development opportunities to other councils or sectors i.e. voluntary organisations
- ✚ Develop a joint approach to recruitment advertising beyond Watford and Three Rivers
- ✚ Review job evaluation scheme and process at Three Rivers with a view to undertaking a health check of the current GLEA scheme
- ✚ Align occupational health arrangements for Watford and Three Rivers and look into extending those services to other organisations and investigate use of physiotherapy service (COPE) to reduce the cost of absence caused by employees off sick with musculoskeletal conditions.
- ✚ Contribute where appropriate to the achievement of the Customer Service Excellence quality standard for Watford and Three Rivers
- ✚ Joint on line appraisal scheme and workforce development planning for both Councils
- ✚ Harmonisation of policies and procedures where applicable and practical.

SECTION 2: INPUTS

2.1 People

Organisation Chart



HR Shared Services: Establishment List

Job Title	Grade	No.	FTEs
Head of Human Resources	Head of Service	1	1
Organisational Development Manager	9	1	0.6
HR Manager	10	1	1
Learning and Development Officer	7	1	1
Learning and Development Coordinator	4	2	1
Health and Safety Advisor – now provided via SLA with Herts CC	n/a		
HR Advisor	5	2	2
HR Officer	6	1	1
HR Business Partner	8	6	4

2.2 Workforce Planning			
Overview			
Workload – Trends & Changes	Staffing Implications – Impact on Service & Individuals	Options & Preferred Solutions	Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service
<p>Working as Business Partners The shared HR service provides a 'business partner' approach to service delivery</p>	HR staff work across both councils supporting specific services	Continuous review with Service Heads and users to ensure service meets requirements. Adjustments made where required	Greater resilience by having a larger team to call on in terms of urgent need. Overall cost is cheaper than previous two separate teams and HR Business Partners improve their service to users by having a greater understanding of service objectives.
<p>GLEA Job Evaluation Scheme (Three Rivers) If a decision is taken to adopt the NJC job evaluation scheme at TRDC in the near future then training for other HR business partners will not be required. However, if this change is delayed or does not happen at all for any reason then it would be essential to have more than one GLEA trained HR Business Partner.</p>	If there were insufficient HR business partners trained to carry out job evaluations for TRDC it will have a negative impact on the service to TRDC customers particularly at times of annual leave etc.	Ensure there are at least two HR business partners trained in the GLEA JE scheme.	A budget may be required to cover the possible need for GLEA JE training for at least one other HR Business Partner within the shared HR service. HR staff will need the necessary knowledge and skills otherwise resilience benefits will not be realised.
<p>Employment Law Changes in employment law happen all the time</p>	HR staff must keep up to date with developments and implications for customers in order to give sound, up to date advice.	HR manager and HR business partners attend employment law updates annually	A good spread of sound knowledge will ensure quality services to customers. A budget will be required to cover the cost of attendance of HR manager and HR business partners at annual employment law update.
<p>HR Networking HR must be represented at Hertfordshire and regional groups (Herts HR Partnership Group, PPMA)</p>	Time spent attending and being involved with various groups	HR staff will need to ensure the service is represented and contributes at meetings	Profile is raised and reputation of the service is established with a view to expansion and development of the shared HR service

2.3 Partnerships & Contracts	
Partner / Partnership	Expected Outcomes
West Herts Crematorium	Continue to operate an income generating contract for payroll, HR, Health and Safety and occupational health services (i.e. recruitment, disciplinary, capability, grievance, occupational health and reorganisation) to help the Crematorium to continue to provide excellent services to the public
HR system / payroll service provider	Develop effective working relationships to ensure good communication and to remedy service or system problems efficiently at all times to the benefit of our customers
Various occupational health partners (Nurse contact centre (First Care), BUPA / Corporate Health Care / Dr Zane and Partners, Counselling Contact Centre)	In the short term, continue to work with existing occupational health and welfare service providers to obtain medical advice, testing and services on behalf of our customers with a view to harmonisation. Review all contracts as they become due for renewal and explore alternative cost effective service offerings.
Criminal Records Bureau (CRB), Rickmansworth Waterways Trust, Citizens Advice Bureau, Rickmansworth Churches Housing Association and Council for Voluntary Services	The umbrella body arrangement in place at Three Rivers could be extended to Watford to widen our CRB checking services to voluntary organisations in Watford.
Employment service (Job Centre)	Advertise all job vacancies arising within Watford or Three Rivers Councils with the employment service to increase opportunities and contribute to a reduction in unemployment figures.
Working Transitions/East of England Local Government Association/Fairplace/SOLACE	Continue to provide outplacement support and careers advice to minimise the impact on staff displaced by organisational restructuring from time to time
Childcare voucher providers (Continue to provide staff with the opportunity to purchase childcare vouchers under HMRC regulations to reduce the financial burden of paying for approved childcare arrangements. The provision of child care vouchers is being reviewed during 2012 to establish any potential streamlining and cost savings available by reducing from 2 to 1 supplier.
Comensura	Continue to use Comensura for the supply of agency workers at Watford and review this arrangement for Three Rivers, in conjunction with Management Board. Review provision against the new County provider CMS, which would be available under the framework agreement
Health and Safety Executive (HSE) Local Government Body	Working with the HSE on issues which impact on health and safety regulatory functions. The body also reviews the effectiveness and performance of the partnership between the enforcing

	authorities – Health and Safety Executive and local authorities
COPE	Provision of a prompt and accurate clinical physiotherapy diagnosis and treatment for work related musculoskeletal disorders and those disorders affecting working efficiency using approved local physiotherapy clinics. Providing management reports and guidance as agreed.
Leadership and Management development	To develop high quality cost effective programmes via Herts CC framework agreement and other external providers to design and deliver training products to meet the needs of the council.
Herts County Council	To provide Health and Safety support and advice, via a service level agreement (SLA), ensuring both Watford and Three Rivers adhere to their statutory obligations regarding Health and Safety. To provide support, guidance and advice regarding Health and safety policies, attendance at committee meetings as requested and audits of key sites.

At Watford Town Hall**Assets (requirements for accommodation and equipment)**

1 x laptop and 1 x projector for corporate training courses, 2 x laptop for offsite meetings and homeworking
Minimum of one private meeting space with tables and 6 chairs
Minimum of 5 remote staff able to work remotely (or alternate means of accessing all areas when off site or at alternate sites)
Tables, desks and PC chairs(13)
PC's (13)
Telephones (13)
Photocopier/Printer/Scanner all in one (1)
Scanner (1)
Secure cupboards for personal files (approx 10)
Access to flip chart stands (1 is held in the Dept)
Access to nearby confidential shredding facilities

Technology requirements

Some means of remote access and data transfer (currently we have 2 Kingston USB mass storage devices at Three Rivers)
HR / payroll system
Intranet and web access
MS office suite including MS outlook
2 x mobile phones

At Three Rivers House

2 desks, chairs, PC's and a printer will be required at Three Rivers House for to provide a service to internal customers and external visitors to Three Rivers House.

Facilities will also be required for the Health and Safety Advisor to maintain a presence at Three Rivers House one day per week. This can be via the HR arrangements identified above.

2.5 Revenue Budgets

Draft Estimates	2012/13	2013/14	2014/15	2015/16
	Revised	Original	Original	Original
	£	£	£	£
Employees	583,840	598,600	610,310	616,320
Transport	2,100	3,000	3,000	3,000
Supplies and Services	48,490	44,240	44,240	44,240
Contracted and Agency Services	103,000	108,000	113,000	113,000
External Income	- 10,000	- 10,000	- 10,000	- 10,000
Total	727,430	743,840	760,550	766,560
<i>Budgets agreed by the Joint Committee November 2011</i>				
Employees	558,360	583,280	607,860	
Transport	3,000	3,000	3,000	
Supplies and Services	44,240	44,240	44,240	
Contracted and Agency Services	103,000	108,000	113,000	
External Income	- 10,000	- 10,000	- 10,000	
Total	698,600	728,520	758,100	
Additional Savings (-) / Costs	28,830	15,320	2,450	

Note:

To achieve the saving of 10% that the councils were aiming to secure over a three year timescale commencing in 2010/11, the service would need to reduce expenditure or increase income by £77k. The Joint Committee accepted last year the following cost reductions, being efficiency gains not affecting service levels:-

Item	2011/12 £	2012/13 £	2013/14 £
Safety Advice	18,400	18,400	18,400
Publications	2,680	2,680	2,680
Equipment and Furniture	3,500	3,500	3,500
Casual User Mileage	1,000	1,000	1,000
Travel Allowance	1,000	1,000	1,000
Total	26,580	26,580	26,580

It was recognised that all support services, including HR must provide a service that is proportionate to the clients supported and that the HR service's customer base was likely to reduce if additional work could not be attracted. It was agreed that the charge to the West Hertfordshire Crematorium be reviewed and that opportunities to share services with other bodies be explored. If, however, there was still a shortfall to be met, then reluctantly there would be little option but to reduce staffing levels. In these circumstances the Committee recommended the following cost reductions commencing in 2012/13:-

Item	2011/12 £	2012/13 £	2013/14 £
Replace HR Business Partner with HR Officer	0	8,360	8,360
Delete HR Business Partner	0	43,510	43,510
Total	0	51,870	51,870

The operating budget figures quoted above included these savings.

Progress to date has been good. All of the efficiency gains have been achieved. Indeed the Health and Safety contract with Hertfordshire County Council was further negotiated from 2011/12 showing a further £3,000 saving.

In respect of staffing levels the replacement of 1 HR Business Partner at band 8 (current vacant post) with an HR Officer at band 6 achieved the budgeted saving of £8,360 with effect from 1 April 2012. Additionally, the reduction in hours of the Organisational Development Manager from 37 to 34.5 per week with effect from 1 April 2012 generated a saving of £3,780 per annum.

This means that the total savings achieved to date are £41,720 compared to the £78,450 deducted from the budget, leaving £36,730 still to be achieved.

At the Shared Services Joint Committee meeting on 21 November 2011 it was agreed to delay further cost savings from the HR service until April 2013, to allow further discussion with other District Councils to take place and a decision reached regarding the provision of a comprehensive HR service for them. Such discussions have taken place and while agreement has been reached with one District to progress to a detailed business case, with a proposed implementation date of 1 June 2013, there is no guarantee the business case will be accepted. The budget was however, reduced incorrectly and therefore has been revised above to reflect the SSJC decision in November 2011

Therefore the following options to reduce costs within the HR service are recommended for consideration:

Option 1

To further reduce the hours of the OD Manager, at her request, to 22 hours per week. This will generate savings of £19,514 per annum. Management responsibility for the 3 employees in the team would pass to the Head of HR.

Option 2

To undertake a review of structure of the HR team with the intention of either reducing hours or deleting a post in order to fund the remaining £17,216 savings required (£36,730 - £19,514).

It is recommended that the Shared Services Joint Committee agree to option 1, reducing the hours worked by the Organisational Development Manager effective from 1 April 2013 which will generate a saving of £19,514 per annum. SSJC are asked to consider delaying the structural changes outlined in Option 2 until such time as Watford Borough Council are clear on their own restructure and further discussions have been held regarding the provision of HR services to another District Council. The situation regarding these initiatives should be clear by March 2013 and depending upon the outcome, further reviews of the structure required for the HR service will be undertaken. The latest date for any restructure of the HR team and subsequent savings would be November 2013.

Further Note:

In addition to the savings above, a review of the welfare arrangements in Three Rivers will be undertaken during 2012/13 and it is possible that by utilising the existing BUPA service supplied to Watford, a small saving may be made in the Three Rivers client side budget. A further review of both the Three Rivers and Watford Client side costs will be undertaken in March 2013, including a cost/benefit analysis of the BUPA Occupational Health service. This review will determine whether the same or better service can be provided remotely for less cost.

2.6 Revenue Growth, Service Reductions and Cashable Efficiency Gains				
	Description	Savings		
		2012/13 £	2013/14 £	2014/15 £
1	Potential Growth			
	None	0	0	0
	Total	0	0	0
2	Service Reductions			
	Reduction in hours worked by OD Manager		19,514	19,514
	Structure review of HR team from October 2013	0	7,173	17,216
	Total	0	26,687	36,730
3	Cashable Efficiency Gains			
	No further efficiency gains identified to those already built into the budget	0	0	0
	Total	0	0	0

2.7 Capital Investment												
Scheme Name	New Scheme	Capital				Revenue Implications				Savings	Resilience	Improvement
		2012/13 £	2013/14 £	2014/15 £	Future Years £	2012/13 £	2013/14 £	2014/15 £	Future Years £			
		6000										

Note: It is proposed to carry over into 2013/14 £6,000 under-spent from the service's capital implementation budget in 2012/13. This is in respect to the HR Appraisal Module. As agreed with the Joint Committee a word document will be used for 2013/14 which may then be revised to an e-form for use in 2014/15, incurring minimal development costs during 2013/14.

SECTION 3: OUTPUTS AND OUTCOMES

3.1 Customer insight and consultation

Customer identification and segmentation data

Service provided	Customer group	Segmentation data held
Recruitment	Internal and external self-selecting customers. Staff, public, recruitment agencies	Age, ethnicity, gender, sexual orientation, religion, disability, address, qualifications, work history. (unsuccessful applicants' data is kept for a short time and then destroyed. Successful applicants' data, and additional data, such as appraisal information are kept as Staff data).
Employee relations	Internal - Staff, Unison, Local Liaison committee (LLC)	Staff data as above
Consultation	Internal - Staff, Internal Services Joint Committee	Staff data as above, and policies, proposals, changes to structure, key contacts
Advice on Terms and Conditions	Internal and External - Staff, Unions, LLC, employee groups, other Local Authority groups, e.g. Herts County Council.	Staff data as above, key contacts
Outsourced services	Payroll, Bupa, counselling service, voluntary sector	Business/organisation name, key contacts, roles, software systems used, contractual agreements, tender documents, SLA agreements etc.
Organisational Development (including Learning and Development)	Internal and external – Staff, Members, associated bodies (e.g. Watersmeet)	Staff data as above, Members - name, Political Party, ward, contact details, address, e-mail address. Associated bodies – business/organisation name, address, key contact.
Health and Safety (Advisory Service)	Internal and external – Managers, Management Board, Health and Safety representatives. External – businesses/organisations (e.g. stall holders, Watersmeet), companies used for outsourcing work and for training.	Staff data as above, business/organisation name, address, key contact.

Service provided	Inform	Consult	Engage
Recruitment	Media – local and National newspapers, trade magazines, recruitment agencies, job centres, internet, intranet, e-mail.	Consultations are carried out on proposed changes, both statutory and non-statutory.	Face-to-face, ad-hoc meetings as required (e.g. with services that are recruiting)
Employee relations	Briefing sessions, e-mail, notes to all staff, intranet, All Aboard	Feedback forms, Local Liaison Committee, Management Board, Unison, legal team, Shared Services Joint Committee	Feedback forms, Local Liaison Committee, Management Board, ad-hoc meetings with legal team
Consultation	Intranet, minutes of meetings; e mail;	Regular Local liaison meetings; ad hoc meetings with non Union staff representatives; Shared Services Joint Committee; Legal team	Feedback from staff briefings; feedback from Union/non Union staff representatives; questions raised via intranet; feedback to managers on questions staff have asked them. Can be face to face; e mail or intranet
Advice on Terms and Conditions	Intranet; staff briefings; FAQ's email; notes to staff; All Aboard	Regular meetings with: Union/Non Union staff representatives; Shared Services Joint Committee; Executive Committee; Management Board; senior management; employees where individual consultation is required	Feedback from staff briefings; feedback from Union/non Union staff representatives; questions raised via intranet; feedback to managers on questions staff have asked them. Can be face to face; e mail or intranet
Outsourced services	E mail; face to face; telephone conferences;	Meetings; e mails; letters	Face to face; ad hoc meetings, feedback forms;
Organisational Development (including Learning and Development)	Intranet; email; managers cascade; Management board;	Feedback from Management Board; feedback from management; staff appraisals; workforce development plan; external bodies (Investors in People; Charter Mark; Two Ticks; Equalities)	Staff briefings; ad hoc attendance at management team meetings or Management Board to discuss specific issues; email; face to face; telephone calls; training events.

Learning from customer consultation

Questions	Answers
What key findings has customer consultation work identified in the last year for each service area?	concern at losing high level of HR support and advice if other fee paying clients are brought in; good HR experience within the team enables good advice to be provided on terms and conditions; employee relations; recruitment and general HR advice
Have the needs of a specific customer group been identified?	Via face to face discussions and customer survey
What has been done as a result of customer consultation?	Hot desk set up in Three Rivers following relocation of HR staff to Watford; HR Business Partner model embedded in services and communication to customers of who key contacts are; cross skilling HR team; team meetings instigated to improve communications amongst team members
How have you fed back to customers that have been consulted?	Results published on the intranet and feedback to customers direct from Head of HR
How effective were the consultation methods used? What changes are proposed?	Effective for the areas surveyed however, not all customer groups were covered. Changes will include expanding the survey to other areas such as third parties (West Herts. Crematorium as an example)

3.2

Service Level Agreements

SLAs between shared services and the councils

As part of the development of the operating model for the HR service, internal customers were consulted and formal Service Level Agreements (SLAs) have been agreed between the HR service and its customers at both councils as well as the Joint Committee. There is a separate document covering SLA's. As part of the Service Level Agreements, performance standards have been identified as well as performance indicators that will be used internally by the shared service; these have been included in this service plan.

SLAs between shared service and other organisations

There are service level agreements between the HR service and its third party suppliers. These will be monitored at relevant service review meetings and updated as necessary.

3.3 Performance Indicators

Reference	SSHR 1 Sickness Absence
Indicator Definition	Working days lost due to sickness per member of staff
Target	6.5 days

Reference	SSHR 2 Appraisals completed on time
Indicator Definition	The percentage of staff receiving an annual appraisal (of those eligible to do so) within target timescale
Target	100%

Reference	SSHR 3 Workforce Monitoring Report
Indicator Definition	Details of the Equalities data reported annually in accordance with the Equalities Act.
Target	

3.4 Benchmarking Information

Measure: Cost					
Benchmark Description	Comparator Group	Result	Rank within group (x out of y)	Date Valid	Comments
HR Cost per employee	Shire Districts	HR cost per employee £363 vs average of £330	7 out of 18	May 2011 (Note No survey planned by CIPFA in 2012)	Watford was previously the most expensive District and Three Rivers was ranked 16 th . Shared Services HR has a HR Business Partner structure which focuses on high end advice and guidance. Lower end, less costly administration is provided via self service.
Measure: Quality					
Benchmark Description	Comparator Group	Result	Rank within group (x out of y)	Date Valid	Comments
Modern Practice	Shire Districts	76% vs average of 64%	2 out of 31	May 2011	More use of systems and self service have improved the ranking for 'modern practice' to 2 nd in Hertfordshire.
Measure: Other					
Benchmark Description	Comparator Group	Result	Rank within group (x out of y)	Date Valid	Comments
Number of Employees per HR Staff	Shire Districts	1:91 vs average of 1:98	10 out of 18	May 2011	Watford previously had the highest ratio of HR staff to employees at 1:50. Three Rivers was much lower ratio but had issues regarding resilience

3.5 Outstanding Recommendations of External Inspections					
Customer Service Excellence					
<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
TRDC staff survey only conducted every 5 years	High	Head of HR	Next survey due to be sent out in October/November 2011 for both TRDC and WBC. Survey completed in Autumn 2011 and results available early 2012. Action plans agreed and implemented.	✓	June 2010

The above represents the only outstanding recommendation from the previous Service Plan.

3.6 Projects

Project	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	2014-2015	2015-2016	Progress / Comments
Support Future Council for Watford restructure	→														On going requirement for HR support
Support ICT with Outsourcing project	→														
Support Waste Sevices/Community Services with either TUPE transfer or internal restructure.	→														
Support to Revenue and Benefits with the introduction of Universal Credit. Localisation of Council Tax etc and any impact on staff	→														
Support Watford/Three Rivers with ad hoc resrtucures and savings initiatives as part of cost reduction process.	→														
Harmonisation of policies and procedures	→														On –going project polices/procedures are prioritised for review during each year.
Introduction of new staff appraisal project, including	→													Word version to be introduced by February 2013. E Form to be	

new competency framework																			introduced by February 2014	
Introduction of new E Learning platform via East of England LGA																			→	New platform to be launched January 2013 and further material to be added during 2013/14, providing cost effective alternatives to classroom style learning.
Step programmes																			→	Continuation of Management/Leadership programmes to both Councils; introduction of Step development programme for non managers
Review GLEA Job evaluation scheme																			→	Review scheme operation and confirm it is up to date. Review policy and ensure it meets TRDC requirements
Participate in and carry out CIPFA HR Customer satisfaction surveys																			→	On-going requirement for HR
Create and implement organisational development plans																			→	On-going requirement following completion of appraisals each year

<p>Develop ways to support the introduction of Apprenticeships to Watford and Three Rivers Councils</p>															<p>Work with Business development teams and link with external companies; liaise with NAS and launch scheme during 2013/14</p>
<p>Consider how to market Shared HR service to other Districts within Herts.</p>															<p>Ongoing project</p>
<p>Consider extending fee paying clients arrangements beyond West Herts. Crem.</p>															<p>On going project</p>

The Equalities Act 2010 includes a new public sector equality duty (both a general duty and specific duties), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The duty places a range of steps that are legally required by local authorities covering issues such as: assessing relevance, using and publishing equality information, engagement, equality analysis, equality objectives, commissioning and procurement, and business planning and reporting.

It is good practice to integrate the general equality duty into service planning processes and work has been undertaken by both council's to produce a common equalities reporting template for all services in line with the new equality duties.

For HR there is a legal duty to publish information on the effect of council policies and practices on the workforce by 31 January 2012 and then annually. This will involve collecting workforce information and carrying out analysis of workforce-related policies and practice. It will also mean publishing the analysis and the information used in the analysis.

HR will also provide learning and development support to the corporate Equalities training programme for both Councils.

3.8

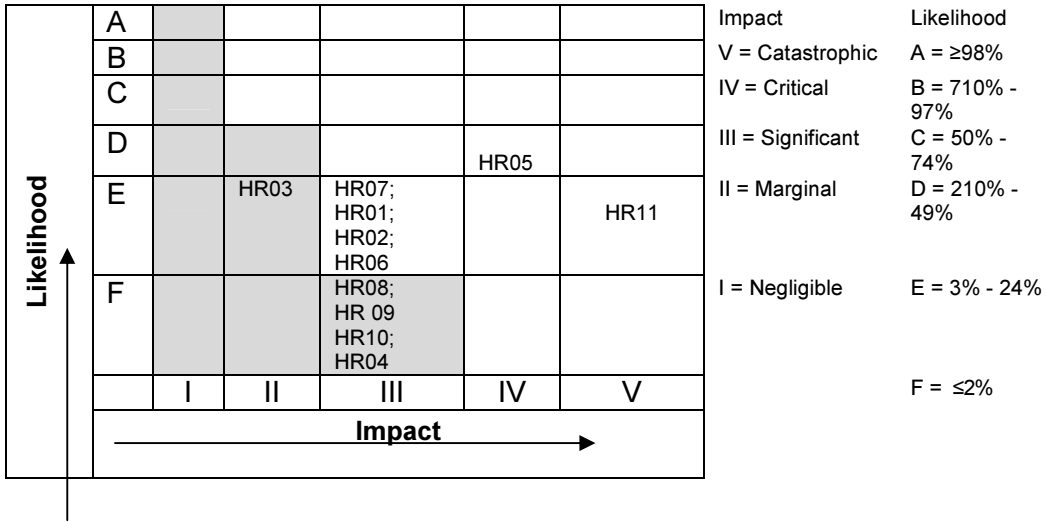
Risk Management

RISK REGISTER

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
	<i>Brief Description – Title of Risk</i>	<i>See Impact Table</i>	<i>See Impact Table</i>	<i>See Likelihood Table</i>	<i>Use this box to describe how the score has been derived</i>		
HR01	<u>Insufficient staff</u> Inability to recruit and retain good quality staff	Service Disruption	iv	E	Case work not completed; support to services unavailable; legislative requirements not adhered to; payroll information not processed	Requires Treatment	Yes
		Financial Loss	ii			Last Review Date	31/3/2012
		Reputation	iii			Next Milestone Date	01/04/2013
		Legal Implications	iii			Next Review Date	09/03/2014
		People	iv			Date Closed	
HR02	<u>Total failure of ICT systems</u> All systems unavailable	Service Disruption	iv	E	Unable to update or access: payroll information; employees electronic records; absence management data;	Requires Treatment	Yes
		Financial Loss	iv			Last Review Date	31/3/2012
		Reputation	iv			Next Milestone Date	01/04/2013
		Legal Implications	iii			Next Review Date	09/03/2014
		People	iv			Date Closed	
HR03	<u>Loss of accommodation</u> Unable to work from Watford or Three Rivers offices	Service Disruption	ii	E	No immediate access to staff	Requires Treatment	No
		Financial Loss	ii			Last Review Date	31/3/2012
		Reputation	ii			Next Milestone Date	01/04/2013
		Legal Implications	ii			Next Review Date	09/03/2014
		People	iii			Date Closed	
HR04	<u>Fraudulent activity</u>	Service Disruption	iii	F	Effect on reputation and ability of HR team to function in an environment where trust has been lost	Requires Treatment	No
		Financial Loss	lii			Last Review Date	31/10/2012
		Reputation	lii			Next Milestone Date	01/04/2013
		Legal implications	lii			Next Review Date	31/03/2014
		People	iii			Date Closed	

HR05	<u>Change Mgt</u> Three Rivers pay not aligned resulting in equal pay claims at TRDC	Service Disruption	iv	D	Increased cost of litigation increased operational costs of alignment potential impact on timescales, mgt time	Requires Treatment	Yes
		Financial Loss	iii			Last Review Date	27/08/11
		Reputation	iv			Next Milestone Date	01/04/2013
		Legal Implications	iii			Next Review Date	09/03/2014
		People	iv			Date Closed	
HR06	HRIS failure or similar civil disaster resulting in inability to utilise HRIS system	Service Disruption	iii	E	Emergency disaster recovery plan agreed with Northgate Arinso, the external payroll provider	Requires Treatment	Yes
		Financial Loss	ii			Last Review Date	09/11/11
		Reputation	iii			Next Milestone Date	n/a
		Legal Implications	iii			Next Review Date	31/03/14
		People	iii			Date Closed	
HR07	Difficulty in recruiting key staff with necessary skills/experience	Service Disruption	iii	E	Vacancies to be filled by interim HR professional staff	Requires Treatment	Yes
		Financial Loss	ii			Last Review Date	09/11/11
		Reputation	iii			Next Milestone Date	n/a
		Legal Implications	iii			Next Review Date	31/03/14
		People	iii			Date Closed	
HR08	Legislation: Failure to deliver on existing or future employment legislation	Service Disruption	iii	F	Systems and procedures in place; trained professional HR staff; Checking regimes; service plan to deal with emerging legislation.	Requires Treatment	No
		Financial Loss	iii			Last Review Date	09/11/11
		Reputation	iii			Next Milestone Date	n/a
		Legal Implications	iii			Next Review Date	31/03/14
		People	iii			Date Closed	

HR09	Employment: Assault or injury to member of staff in the office, on-site or during a home visit, home working or 1:1 meetings with customers.	Service Disruption	ii	F	Regular assessments carried out in service. Ensure adequate staff training on health and safety at work, including lone working. Emphasise employees' responsibilities in H&S matters. Violence at work policy.	Requires Treatment	No
		Financial Loss	iii			Last Review Date	09/11/09
		Reputation	iii			Next Milestone Date	n/a
		Legal Implications	iii			Next Review Date	31/03/14
		People	iii			Date Closed	
HR10	Physical Loss of paper files on a large scale due to flood/fire or other catastrophic event in the Town Hall office accommodation	Service Disruption	iii	F	Fire/flood management procedures. Most cabinets are flame and flood resistant. Live records are on 3 rd floor. Back up via Resourcelink database so many records are duplicated electronically	Requires Treatment	No
		Financial Loss	ii			Last Review Date	09/11/09
		Reputation	ii			Next Milestone Date	n/a
		Legal Implications	iii			Next Review Date	31/03/14
		People	iii			Date Closed	
HR11	Employment Strike/Dispute nationally	Service Disruption	v	E	Employee Relations protocols. National negotiation frameworks. Local Liaison Committee and Unison/management meetings	Requires Treatment	Yes
		Financial Loss	iv			Last Review Date	09/11/09
		Reputation	iv			Next Milestone Date	n/a
		Legal Implications	v			Next Review Date	31/03/14
		People	v			Date Closed	



RISK TREATMENT PLAN

Risk Ref:	HR01	Risk Title:	Insufficient staff			
Responsibility	<i>Who is managing the risk?</i>		Head of HR			
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		The HR service that will be provided will be limited and as a result there will longer waiting times for answers to enquiries or questions. Payroll information will not be processed It can go wrong whereby there is not enough capacity to deal with customer requests.			
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Long term staff absence or resignation of staff			
Existing Control	<i>What controls exist now to minimise the risk?</i>		Links with external agencies/bodies who could supply interim HR staff			
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>		HR have used agency/temporary staff to cover absence	Impact	Likelihood	
				iii	E	
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		No further action required			
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Not applicable		£	
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>		Not applicable		Impact	Likelihood
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>		Trained HR staff available to cover additional workload on an interim basis		Impact	Likelihood
					ii	D

Risk Ref:	HR02	Risk Title:	Total failure of ICT systems		
Responsibility	<i>Who is managing the risk?</i>		Head of HR		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		All systems fail resulting in HR being unable to access personal files, database, upload payroll information or provide statistics/information to external bodies		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Major failure of ICT or major electrical supply		
Existing Control	<i>What controls exist now to minimise the risk?</i>		WBC has UPS systems in place to safely shut down hardware and a switchable power supply to manage some causes of power loss; Paper files available; back up via Northgate Arinso		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>	Hard copy files available; payroll information available via Northgate Arinso	Impact	Likelihood	
			iv	E	
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		No further action required		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Not applicable		£
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>	Not applicable	Impact	Likelihood	
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>	Northgate continuity plan in operation; hard copies of files in fire proof cabinets	Impact	Likelihood	
			ii	D	

Risk Ref:	HR07	Risk Title:	Difficulty in recruiting key staff with necessary skills/experience		
Responsibility	<i>Who is managing the risk?</i>		Head of HR		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		The HR service that will be provided will be limited and as a result there will longer waiting times for answers to enquiries or questions. It can go wrong whereby there is not enough capacity to deal with customer requests.		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Long term staff absence or resignation of staff at critical times		
Existing Control	<i>What controls exist now to minimise the risk?</i>		Links with external agencies/bodies who could supply interim HR staff		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>	HR have used agency/temporary staff to cover absence	Impact	Likelihood	
			iv	E	
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		No further action required		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Not applicable	£	
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>	Not applicable	Impact	Likelihood	
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>	Trained HR staff available to cover additional workload on an interim basis	Impact	Likelihood	
			ii	D	

Risk Ref:	HR05	Risk Title:	Three Rivers pay not aligned resulting in equal pay claims at TRDC		
Responsibility	<i>Who is managing the risk?</i>		Head of HR		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		Equal pay claims from TRDC employees. Read across from non shared service staff on GLEA scheme to shared service staff on NJC scheme; or vice versa. No risk before set up of Shared Services		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Employees reviewing pay bands across different roles and identifying comparators on a different pay band		
Existing Control	<i>What controls exist now to minimise the risk?</i>		Partial review of pay across GLEA against NJC scheme undertaken prior to set up of Shared Services which largely identified the pay to be the same		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>	No claims have been received	Impact	Likelihood	
			iv	D	
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		Full review to be undertaken of roles on GLEA scheme and how they compare to NJC scheme. Likely result is recommendation of NJC scheme across TRDC.		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Potential cost implications if a significant number of roles are evaluated upwards as a result of the review	£ unknown until review is complete	
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>	The risk has emerged since new pay scales were announced for Shared Service staff in July 2009. The HR Service plan covers the requirement for a review of job evaluation across TRDC	Impact	Likelihood	
			iv	D	
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>	Introduction of new consistent scheme across TRDC reduces potential claims	Impact	Likelihood	
			ii	D	

Risk Ref:	HR06	Risk Title:	HRIS failure or similar civil disaster resulting in inability to utilise HRIS system		
Responsibility	<i>Who is managing the risk?</i>		Head of HR		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		System failure Localised or more widespread power failure preventing HRIS equipment from operating A variety of reasons can cause power failure, all would have the same affect on the service		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		A failure of the electricity supply. This could result from a number of different causes		
Existing Control	<i>What controls exist now to minimise the risk?</i>		WBC has UPS systems in place to safely shut down hardware and a switchable power supply to manage some causes of power loss; Paper files available; back up via Northgate Arinso		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>	Duplicate data for pay purposes available; hard copy files in fire proof cabinets	Impact	Likelihood	
			iv	E	
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		No further controls required		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Not applicable		£
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>	Not applicable	Impact	Likelihood	
			iii	E	
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>	Ability to run payroll via Northgate Arinso; employment data available via hard copy files.	Impact	Likelihood	
			ii	D	

Risk Ref:	HR011	Risk Title:	Strike/Dispute nationally		
Responsibility	<i>Who is managing the risk?</i>		Head of HR		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		Disagreement with staff/Unison regarding terms and conditions of employment. Negotiations fail. Has not happened before.		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Disagreement between staff and Unions regarding terms and conditions that cannot be resolved through consultation and/or negotiation		
Existing Control	<i>What controls exist now to minimise the risk?</i>		Part of national framework regarding terms and conditions; Employee Relations protocols; consultation forum with Unison; discussion groups with employees; non Union staff representatives in TRDC		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>	Management/Union meetings are conducted in an open, consultative manner. Two way dialogue and exchange of points of view	Impact	Likelihood	
			v	D	
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		Ensure regular meetings with Union/non Union staff representatives are continued		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Potential cost implications of a strike could be high as well as the loss of reputation	£ unknown	
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>	Regular meetings with Union/non Union staff representatives are scheduled in advance	Impact	Likelihood	
			v	E	
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>	Continued good employee relations with Union and staff	Impact	Likelihood	
			ii	D	

Version Control

Version No.	Date	Reason for Update / Significant Changes	Made By
0.1	30/10/2012	Draft for discussion of contents	TB
0.2	05/11/2012	Update following shared services management team meeting	TB



DRAFT

ICT SERVICE PLAN

2013-2016

Shared Services Joint Committee – 19 November 2012

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SECTION 1: KEY PURPOSE OF THE SERVICE

1.1 Scope of the Service

The ICT services defined as being core to the Shared Service are:

1. Service Desk
2. User Account Maintenance
3. Desktop Computing
4. Printers and peripherals
5. Corporate telephony system
6. Business Applications
7. Internet Services and Email
8. Business Analysis & Consultancy
9. Disaster Recovery
10. Resources
11. Infrastructure Support

This scope was maintained within the invitation to tender for the ICT service and the preferred supplier has assured the councils that they will support the councils on this basis. If the service is outsourced, in addition to the scope above they may also manage our 3rd party contracts on our behalf. This area will be investigated during due diligence and a recommendation will be made on this point to the Joint Shared Services Committee in January 2013.

Progress:

Over the last financial year, the ICT team has increased the stability and resilience of the infrastructure at both councils by

- Implementing new SANs at both councils with the ability to replicate data from the WBC server room to TRDC and vice versa.
- Extending the WBC VPN solution to TRDC and implementing 2 Factor Authentication (in the process of roll out)
- Upgrading the email and internet filtering systems of each council to a shared, cloud based solution
- Hardware upgrades on all servers over 2 years old (memory, processor and reinstallation to higher capacity hard drives)
- Virtualisation of a large number of physical servers
- Re-design, rebuild and expansion of backup system at both councils (further work still in progress)

In addition to this, the team has supported various departments to upgrade current business systems, implement web based systems or to enhance existing business intelligence such as

- EU cookie directive implementation for both council websites
- Transfer of BACS payments to R&B and Finance departments

- Creation and/or redesign of electronic forms for services at both councils including WBC Licensing, Watersmeet bookings, TRDC CSC and Revenues and Benefits
- Implementation of Revs & Bens e-services and internal reporting for caseload
- Document management system implemented within planning department
- Upgrades to Revs & Bens document management systems, planning and environment health systems, GIS systems and more.

1.2 Contribution to Shared Services Objectives	
Savings	<p>Savings are detailed in section 2.6 and are summarised below:</p> <p>Savings of £115,882 are expected over the life (5 years) of the contract, however these only reflect the base price and do not include further savings that may arise through service improvement and implementation of future projects.</p> <p>Additional savings planned by the Head of ICT can still be achieved if the service regardless of whether the service is outsourced, these include consolidation of the Disaster Recovery and further system and contract harmonisation.</p> <p>The projects to implement the new, shared income management system as well as the in-house replacement of performance plus for TRDC and the replacement of the e-committee system for WBC were completed and had expected to bring in savings and efficiencies for the services involved. These should be seen in service plans relating to those services.</p>
Resilience	<p>Work has progressed towards a improvements to infrastructure systems such as thin client, new SANs at both councils and the introduction of some cloud based systems.</p> <p>Work continues on cross training the Application Analysts to ensure that the council's application systems are supported by a robust and resilient team who are multi skilled across the full complement of systems we support.</p> <p>It is expected that if the service is outsourced, the councils will benefit from increased resilience across the service.</p>
Improved Services	<p>The availability (uptime) of ICT systems has seen a significant increase over the last year and the service has been above target for the last six months for Three Rivers systems and for 5 out of the last 6 months for Watford systems.</p> <p>The primary reason for this improvement was the completion of a programme of upgrades at both councils which enabled the team to focus on critical work required to stabilise the ICT infrastructure. The work planned within this programme was informed by recommendations from the independent ICT review backed by service desk statistics.</p>

1.3 Contribution to the Councils' Strategic Objectives

Three Rivers District Council	
Safety and Well-being	We will support\enable the Council and its services to meet these objectives
Clean and Green	
Economic Opportunities	
Customer Service	

Watford Borough Council	
Making Watford a better place to live	We will support\enable the Council and its services to meet these objectives
To provide the strategic lead for Watford's sustainable economic growth	
Promoting an active, cohesive & well informed Town	
Operating the Council efficiently & effectively	

1.4 The Future of the Service

The ICT Service is in the process of conducting due diligence with Capita Secure Information Solutions Limited for the provision of a managed service to both councils.

If following due diligence, the councils do enter into a contract with Capita, the service provided will be based on the requirements specified by the councils centred around the current scope of the ICT Service.

This will include provision of a centralised helpdesk, local desk side support, server and network support and applications support. The aim of the new service will be to

- a. To consistently provide a modern, reliable ICT service to all of our customers;
- b. To make innovative use of technology to support our programme of service transformation in a challenging environment;
- c. To make best use of ICT to increase the accessibility of services to customers and to increase productivity and efficiencies.

The current timescales if the decision is to outsource to the preferred supplier are as follows:

Event	Date
Tender submission	9th July 2012 (12.00pm)
Evaluation, Moderation and Interviews completed	21 August 2012
JMB	29 August 2012
JC Meeting	24 September 2012
Notification to Bidders	25 September 2012
Financial Health check on preferred bidder complete	1 October 2012
Standstill or "Alcatel" period ends	9 October 2012
Due Diligence period ends	30 November 2012
Formal contract discussions end and award made	15 January 2013
Transition Ends	April 2013
Effective Date (contract start)	May 2013

If, following due diligence, the councils opt not to outsource the service, we will have the option to either go into due diligence with Northgate Ltd or conduct a service redesign and implement an internal team that is able to deliver the councils current and future ICT requirements.

SECTION 2: INPUTS

2.1 People

Shared Services Organisation Chart

Job Title	Grade	FTEs
Head of ICT	CO3	1
Infrastructure Manager	9	1
Technical Support Engineer	7	4
Service Desk Manager	8	1
Support Analyst	6	3
ICT Business Manager	10	1
Application Analyst	7	7
Web Development Analyst	7	2
Project Manager\Business Analyst	8	2

2.2 Workforce Planning

Overview

The current establishment was designed to meet the day to day demands of departments and will continue to strive to maintain and improve upon existing service levels.

The councils are increasingly facing pressures to make efficiencies whilst maintaining levels of service for customers and residents. As a result of this, our public facing services are looking at streamlining back office processes and more innovative ways of working both internally and out in the field. The councils are also looking at service transformation at a high level combined with channel shift towards the web so that there is increased ability to self serve.

It is therefore clear, that an agile, resilient, efficient and knowledgeable ICT Service will be required to enable these changes across both councils.

In order to alleviate this problem, a Joint ICT Steering Group whose role is to agree and prioritise ICT projects for both councils has been set up. This is critical for the ICT team to be able to fully understand the requirements of the services and to be able to plan the required resources. Despite having added resilience from the larger team, resources are still stretched.

Workload – Trends & Changes	Staffing Implications – Impact on Service & Individuals	Options & Preferred Solutions	Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service
Projects within the councils are likely to draw upon the staff resources within ICT. The requirements could be based upon technical application\infrastructure input, project management or business analysis expertise.	External assistance could potentially be required if resourcing if several projects are required at the same time.	1) Rely on external expertise being brought in on a project by project basis, although this would mean skills would not be retained following the completion of the project. 2) Outsource the whole of the ICT service, have robust project approval process (via the Steering Group) and deliver the ICT project programme	It will prove difficult to meet service standards in the event of there being a particularly high demand on the skills of the ICT team during major implementations. In any of these options, extra resource will be need to meet increasing demand.

<p>Interface development has been conducted in house by the Finance Service.</p> <p>Once the associated documentation is complete, they will be handed over to ICT to support along with a structured handover.</p>	<p>There is currently no resource available or sufficiently skilled within the ICT structure to conduct in-house development of software. This was in order to move away from bespoke systems and therefore increase the resilience of the teams.</p>	<p>1) Do nothing – keep documentation and acquire external resources on an ad-hoc basis to cater for any future requirements.</p> <p>2) Restructure or add a growth to the establishment to include this resource, however there would still be a resilience issue due to there only being 1 resource to do this work.</p> <p>3) An alternative could be to bundle these up and approach an external supplier to provide maintenance and updates of all in-house interfaces on a yearly basis.</p> <p>4) Ask the outsourced provide to support this system as an additional requirement</p>	<p>1) There would be no cost implications but a major risk to the councils resilience for these key system interfaces,</p> <p>2) This would result in a revenue growth, however resilience would be maintained and risk would be minimised.</p> <p>3) There would be a growth to the budget but resilience would be increased.</p> <p>4) This would be in addition to the core service to be provided by the supplier.</p>
<p>The reduction of 1 application analyst that is planned in FY 13/14 will result in a smaller team delivering the support of council applications.</p>	<p>This will reduce the number of applications analysts from 7 to 6.</p>	<p>Staff will continue to cross train and ensure that work progresses towards harmonisation of systems as well as looking at internal processes to ensure that these are as efficient as possible.</p> <p>In addition to this, external help will be sourced if required.</p>	<p>This will result in a saving to the councils of £39,210 per annum.</p>
<p>Outsourcing the entire ICT service.</p>	<p>All ICT staff would be eligible for TUPE transfer to the new supplier.</p>	<p>4 options were considered:</p> <ol style="list-style-type: none"> 1. public sector partnership, 2. multi-sourcing model, 3. private sector outsourcing of the entire service (GPS tender) 4. private sector outsourcing (under HCC framework agreement with SERCO) 	<p>Option 3 was selected and the councils are undertaking due diligence with a preferred supplier.</p> <p>The ITT for this contract focussed on quality, agility, resilience and expertise that a potential outsourced provide could give to the councils rather than as a cost saving exercise.</p>
<p>Review and redesign of the internal ICT Shared Service.</p>	<p>This exercise may result in a reduction of staff in some areas and an increase in other areas. Some roles that are not currently within the ICT Scope (e.g. DBA) would need to be included.</p>	<p>Based on the requirement specification for the ITT for the Managed ICT service, detailed work to review the current structure, budget and staffing within the ICT Service and redesign to meet the councils current and future needs.</p>	<p>This would require external assistance as well as most likely result in an increase in overall levels of staff within the service area.</p> <p>The budget implications of this would need to be calculated if the Joint Shared Services Committee decide not to outsource the service.</p>

2.3 Partnerships & Contracts

Partner / Partnership	Expected Outcomes
Various software supply and maintenance contracts	Both IT services at the two Councils have contracts with software suppliers to provide software applications to the service departments. Over time, it is expected that contracts of this type will be harmonised wherever possible.
Hardware maintenance contracts	Maintenance contracts exist within both ICT teams to cover the breakdown of essential computer hardware which is no longer under manufacturer warranty. It is expected that these contracts could also be harmonised to bring potential savings.

2.4

Assets & Technology

The ICT service will own all ICT assets used within the two Councils and the ICT service is responsible for managing the corporate ICT infrastructure comprising of application servers and networking hardware.

They include:

- Networking equipment and servers
- Corporate telephony systems
- Desktop PCs / terminals
- Laptop computers
- Desktop telephones
- Departmental printers
- Application and software licences
- ICT related Data

A list of systems used within the Councils can be obtained from the Head of ICT.

Corporate assets, including business systems and infrastructure will be owned by each of the councils and is maintained by the ICT department using approved capital budgets.

The above will still apply if the service is outsourced; however, the supplier has been asked for a price to manage 3rd party contracts on behalf of the councils. If the councils choose to take up this option, they will retain the responsibility of retaining and procuring contracts as well as escalating issues with existing suppliers.

2.5 Current Budgets

ICT Revenue Budgets				
Draft Estimates	2012/13	2013/14	2014/15	2015/16
	Revised	Original	Original	Original
	£	£	£	£
Employees	1,121,940	1,014,870	997,980	1,017,620
Transport	900	4,020	4,190	4,190
Supplies and Services	399,840	392,110	392,110	392,110
External Income	-	-	-	-
Total	1,522,680	1,411,000	1,394,280	1,413,920
<i>Budgets agreed by the Joint Committee November 2011</i>				
Employees	1,005,270	958,460	994,840	
Transport	5,000	5,000	5,000	
Supplies and Services	392,110	392,110	392,110	
External Income	-	-	-	
Total	1,402,380	1,355,570	1,391,950	
Additional Savings (-) / Costs	90,930	55,430	2,330	
	Notes:	Includes £80k agreed by Joint SS Committee 24/09/12		
		Assumes continued in-house service provision		
		Original based on revised staffing estimates 2012/13		
		Includes an additional £29,370 for in house client team from January to March 2013 (As per ICT Client Function report to Joint Shared Services Committee – November 2012)		

2.6

Revenue Growth, Service Reductions and Cashable Efficiency Gains

	Description	2013/14 £	2014/15 £	2015/16 £
1	Potential Growth			
	None	0	0	0
	Total	0	0	0
2	Service Reductions			
	No further reductions to those included in current budgets	0	0	0
		0	0	0
	Total	0	0	0
3	Cashable Efficiency Gains			
	If the service is outsourced, a total saving of £115,882 is expected over 5 years.	23,176	23,176	23,176
	Total	23,176	23,176	23,176

2.7

Capital Investment

Shared Services Scheme Name	Capital				Revenue Implications				Savings	Resilience	Improvement
	2013/14	2014/15	2015/16	Future Years	2013/14	2014/15	2015/16	Future Years			
	£	£	£	£	£	£	£	£			
Hardware and Software to conform to the requirements of the GCSX auditors for the latest code of connection to the Government Connect Secure Extranet (GCSX)	40,590	0	0	0	31,000	31,000	31,000	31,000			↘
Hardware Replacement Programme	30,000	30,000	30,000	30,000	0	0	0	0		↘	↘

TRDC Scheme Name	Capital				Revenue Implications				Savings	Resilience	Improvement
	2013/14	2014/15	2015/16	Future Years	2013/14	2014/15	2015/16	Future Years			
	£	£	£	£	£	£	£	£			
Replacement CRM system	239,100	0	0	0	(31,830)	(31,830)	(31,830)	0	↙	↙	↙
Scanning Tree Protection Orders	20,000	0	0	0	2,400	2,400	2,400	0		↙	↙
ICT Hardware replacement	56,000	56,000	56,000	0	0	0	0	0		↙	↙

WBC Scheme Name	Capital				Revenue Implications				Savings	Resilience	Improvement
	2013/14	2014/15	2015/16	Future Years	2013/14	2014/15	2015/16	Future Years			
	£	£	£	£	£	£	£	£			
e-Democracy	6,000	6,000	0	0	0	0	0	0			↙
Environmental Health System	45,000	45,000	0	0	0	0	0	0			↙
ICT Hardware replacement	70,000	70,000	0	0	0	0	0	0		↙	↙

SECTION 3: OUTPUTS AND OUTCOMES

3.1 Customer insight and consultation

Who / types	Approximate numbers	Location	Consultation
All office based and remote workers	830	Office locations within the boundaries of the two authorities	User group meetings, staff satisfaction surveys, all staff e-mail, intranet, post call survey. Remote Workers include those from Charter Place, Depots and home workers.
Public	All residents and businesses within the two authority areas plus other members of the public living outside of the area	Customers living / working within the area covered by the two Authorities. Less commonly, residents elsewhere in the country who may be future users of the Authorities' services	No direct consultation unless specific input is required on public facing IT developments (i.e. redesign of website)
Councillors	84	Predominantly at home or work, within close proximity of the Councils' offices	Communication via democratic services and party secretaries, regular meetings with portfolio holders the quarterly meeting plus and update reports to joint committee and other committee where called in.
Suppliers / profit centre	100		Quarterly meetings with account managers, split into ICT meeting to discuss financials and ICT specific issues and a session involving representatives of the user community to inform about future product improvements. Monthly Account Managers meeting with Steria.
Trade Union / staff representation	5+	Council Offices	Ad hoc consultation re staffing issues and organisational change issues

3.1.1 Customer access channels

Service Area	Information Access	Service Access
Service Desk	Face to face or telephone, email and internet	Face to face or telephone, email and internet
Infrastructure Support		
Applications/ Systems admin		
Web Development		
Project Management/ Business analysis		

3.1.2 Customer identification and segmentation data

Service provided	Customer group	Segmentation data held
Helpdesk services	All Services, all staff, Members, suppliers, public	Name, Department, E-mail address, Access channel, Business address (if applicable), Technical information, Staff - place of work (TR/Watford), Home Address\ Telephone number (remote worker)
Infrastructure support		
Applications/systems admin		
Web development		
Project Management/ Business analysis		

3.1.3 Communication and consultation methods

Service provided	Inform	Consult	Engage
Helpdesk services	All-staff e-mails, intranet, 'phone, 1:1s, All Aboard, Wat's Up	Rolling feedback survey (at call close, with quarterly reports) Annual satisfaction survey	Managers and business team 1:1s, user group meetings, Ad-hoc 1:1s
Infrastructure support			
Applications/systems admin			
Web development			
Project Management/ Business analysis			

3.1.4 Customer satisfaction measures

Service provided	Measure	Collection method	Timescale for consultation - start date and regularity	Baseline result	Target
ICT Services (Service Desk, Infrastructure support, Applications/support, Web Development, Project Management & Business Analysis)	% satisfied with overall service % of SLAs met % of successful projects within parameters	Annual satisfaction survey	Annual satisfaction survey	4.38	5.75
Web development	Carried out by Communications – Performance and Scrutiny	N/A	N/A		

3.1.5 Learning from customer consultation

Questions	Answers
<p>What key findings has customer consultation work identified in the last year for each service area? Have the needs of a specific customer group been identified?</p>	<p>During the year, the following issues were identified:</p> <ul style="list-style-type: none"> • A lot of calls were dropped due to high call volume at certain times of the day • Resolution times for incidents increased due to less capacity on the service desk
<p>What has been done as a result of customer consultation?</p>	<p>In order to alleviate these issues, the following actions were taken over the last year:</p> <ul style="list-style-type: none"> • A new call waiting system with auto response implemented • A new auto routing and monitoring system installed to track bottle necks with a view to further improvements • Improvements have been communicated to the organisation
<p>How have you feed back to customers that have been consulted?</p>	<p>Consultation with our customers happens in a number of ways.</p> <ul style="list-style-type: none"> • A dedicated column for ICT has been put on All aboard and Wats Up magazines. • Intranet articles have also been published on both council • The dedicated ICT parts of the intranet are regularly updated. <p>In addition to this, we will be conducting an annual ICT Survey before the end of this financial year.</p>
<p>How effective were the consultation methods used? What changes are proposed?</p>	<p>Although an annual survey has not been carried out for the last year yet, there has been data collected from the regular ICT survey sent out as part of the incident resolution process.</p> <p>There are no proposed plans to change this method due to possible outsourcing of the service.</p>

3.2

Service Level Agreements

SLAs between shared services and the councils

As part of the development of the operating model for the ICT service, internal customers were consulted and formal Service Level Agreements (SLAs) have been agreed between the ICT service and its customers at both councils as well as the Joint Committee.

As part of the Service Level Agreements, performance standards have been identified as well as performance indicators that will be used internally by the shared service; these have been included in this service plan.

SLAs between shared service and other organisations

There are service level agreements between the ICT service and its third party suppliers. These will be monitored at relevant service review meetings and updated as necessary.

Looking forwards

Following the decision on the future of the ICT service, revised SLAs will be agreed by the councils with the new supplier.

3.3	Performance Indicators
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Reference SSICT 1 & 2	Service Availability															
Indicator Definition	To measure the availability of the ICT service to users during core working hours															
Target	2011/12				2012/13				2013/14				2014/15			
	99.50	99.50	99.50	99.50	99.50	99.50	99.50	99.50	99.50	99.50	99.50	99.50	99.50	99.50	99.50	99.50
Outcome	2011/12				2012/13				2013/14				2014/15			
TRDC	99.83	99.80	99.63	99.75	98.89	99.90										
Watford P1	94.54	97.50	98.01	97.67	99.75	99.64										
Watford P2	93.43	97.87	98.26	97.77	100.00	100.00										
Comments on Performance:																
WBC LT has asked to have the availability stats reported in 2 priority levels. Hence the figures reported are split accordingly.																
The availability of systems has been within the target for this financial year due to improvements made to the infrastructure at both councils which has provided increased resilience as well as knowledge within the team.																

Reference SSICT 3	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	2011/12				2012/13				2013/14				2014/15			
	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%
Outcome	2011/12				2012/13				2013/14				2014/15			
	95.06	94.44	94.70	97.10	93.12	95.55										
Comments on Performance: The service continues to fall below resolution targets. An improvement would be made if ITIL service management was implemented as per the ICT Review in May 2011, however the councils have decided to freeze investment in this area until the future of the service has been decided. If the service is outsourced, ITIL service management would be implemented as part of the transition to the new supplier.																

Reference SSICT 4	Annual Customer Satisfaction															
Indicator Definition	What is the perception of the service from the end users view point?															
Target	2011/12				2012/13				2013/14				2014/15			
	5.65				5.65				5.65				5.65			
Outcome	2011/12				2012/13				2013/14				2014/15			
	Not yet available															
Comments on Performance: No annual satisfaction survey has been conducted this year as yet, figure for 2010/11 was 4.38 – as shown in SOCITM Benchmarking results in section 3.4.																

3.4 Benchmarking Information

The first full year (2010/11) of the ICT Shared Service was benchmarked in May 2011. The benchmarking group consisted of 17 government organisations across the UK ranging from County Councils, Shires, Districts to other public sector organisations. Results for this group were published nationally by SOCITM in December 2011.

Measure: Quality of Service					
Benchmark Description	Comparator Group	Result	Upper quartile result from UK1 Group	Date Valid	Comments
User Satisfaction	SOCITM Benchmarking Group (KPI 1)	4.38	5.29	Dec 2011	
Resolution of reported incidents	SOCITM Benchmarking Group (KPI 2)	n/a	93%	Dec 2011	Figures were not available due to constraints within our reporting system.
Project Management	SOCITM Benchmarking Group (KPI 3)	6.3	7.2	Dec 2011	This measured the number of projects completed using formal methodology with a budget of at least £25,000. ICT delivered many more projects but they were of lower value and did not qualify for the benchmarking criteria.
Service Availability	SOCITM Benchmarking Group (KPI 3)	49	93	Dec 2011	Values are not expressed as a percentage but a weighted index based on 3 levels of availability. Further clarification on this can be obtained from SOCITM
Measure: Use of service by employees					
ICT competence of employees	SOCITM Benchmarking Group (KPI 10)	3.97	5.22	Dec 2011	

Measure: Cost Efficiency of Service (Note: In all cases the lower the ranking score the better is the result)

Benchmark Description	Comparator Group	Result	Lower quartile result	Date Valid	Comments
Acquisition cost of workstation	SOCITM Benchmarking Group (KPI 4)	PC = £495 Laptop = £619	PC = £402 Laptop = £576	Dec 2011	
Workstation Support (support costs per workstation)	SOCITM Benchmarking Group (KPI 7)	£161	£99	Dec 2011	
Cost per connection for voice and data communications.	SOCITM Benchmarking Group (KPI 17)	Voice = £103 Data = n\	Voice = £99 Data = £74	Dec 2011	Figures for cost of data connection were not available due to lack of information.
Total cost of ownership for workstations	SOCITM Benchmarking Group (KPI 18)	n\	£314	Dec 2011	TCO calculation was not possible due to the cost per data connection being unavailable.

3.5

Outstanding Recommendations of External Inspections

The Annual Audit Report to those Charged with Governance in September 2012 noted the following outstanding recommendation that is the responsibility of ICT.

This is due to be discussed with the preferred supplier for the outsourced ICT service and will be planned into the project timetable once service with them commences.

Action	Priority	Responsibility	Action to date	Resolved	(Original) Implementation Date
<p>Network Intrusion</p> <p>The Council should consider implementing a network intrusion detection or prevention system. Management should agree reasonable times to follow up on the actions highlighted in the penetration tests, both internal and external, to ensure a secure network.</p>	Medium	Head of ICT	<p>An action plan to implement all penetration test recommendations is in progress and all patches have now been applied successfully.</p> <p>The Appgate VPN solution in use at WBC has logs for intrusion attempts and has replaced the Netilla system in use at TRDC.</p> <p>The potential of implementing a network IDS has been discussed as part of the Network Infrastructure Audit and it has been decided that we will focus on prevention rather than detection. Hence work has progressed to implement VLANs within the network in order to segregate desktops from servers and minimise potential risk of intrusion.</p>	<p>x</p> <p><i>(On-Going)</i></p>	September 2011

3.6 Projects

Corporate projects for 2013/14 have been discussed by the Joint ICT Steering Group. Many of the projects are yet to be scoped and therefore it has not been possible to estimate resource requirement.

A budget for projects in the next financial year has been estimated based upon the resource required to deliver 2011/12 projects against the list prices of ICT resource provided by the Capita.

This list is due to be discussed with them during due diligence and will be discussed further at a future Joint ICT Steering Group meeting in order to set priority and review Project Initiation Documents.

If the service is outsourced, priority will be assigned by the Joint ICT Steering Group in conjunction with the preferred supplier during transition period.

Authority	Project Name	Category*	Financial Year	Lead	Comments	Estimated Resource Days				Resource Note	Budget (£)	Revenue or Capital? (£)
						Bus Analyst / Project Manager	Apps / Web Analyst	Infra - structure Engineer	Service Desk			
TRDC	Service Transformation: 1) Replacement CRM 2) Automate/transfer online elements of customer contact (Channel Shift) 3) Development of TRDC website (website review)	1	13/14	Gordon Glenn	Some work has been initiated to obtain a baseline of customer interaction across the council.	55	95	50	5	Resource estimated with information as at Nov 11 Full PM to be externally sourced.	Total of 284,100	239,100 Capital 15,000 Revenue
TRDC	Standardisation of profiles	1	13/14	ICT Service	Internal audit recommended implementation of standardised profiles	TBC	TBC	TBC	TBC	There would be savings as a result of a standardised desktop environment	TBC	
TRDC	Garages system replacement	5	13/14	Gordon Glenn	Capita software and support has been extended by one year until 31st March 2014	TBC	TBC	TBC	TBC		TBC	
TRDC	M3 upgrade/replacement	5	13/14	Allan Caton	New project identified.	TBC	TBC	TBC	TBC	To Be reviewed. Update is not required for legislative reasons at the moment	TBC	
WBC	Print & Post Review - Managed printing services	1	13/14	Dani Negrello	May require review by ITSG to bring into the end of FY12/13.	20	5	20	5	Resource estimated with information as at Nov 11	TBC	

Authority	Project Name	Category*	Financial Year	Lead	Comments	Estimated Resource Days				Resource Note	Budget (£)	Revenue or Capital? (£)
						Bus Analyst / Project Manager	Apps / Web Analyst	Infra - structure Engineer	Service Desk			
WBC	WBC channel shift project	1	13/14	Alan Gough	PID will change as the project has evolved into "More Efficient Ways of Working" project.						TBC	Capital
WBC	Environmental Health & Licensing: Uniform Housing Module	5	13/14	Alan Gough	This project is dependent on whether or not the Waste Service is outsourced.	TBC	TBC	TBC	TBC		AG to confirm	
WBC	Environmental Services Handhelds (Scheme not listed in section 2.7until confirmed to proceed)	1	13/14	Alan Gough	This project is dependent on whether or not the Waste Service is outsourced.						14K	Capital
WBC	Environmental Services Point & Click (Scheme not listed in section 2.7until confirmed to proceed)	1	13/14	Alan Gough	This project is dependent on whether or not the Waste Service is outsourced.						14K	Capital
BOTH	Voice Over IP Install and rollout	1	13/14 or beyond	ICT Service	To be discussed with incoming ICT supplier at due diligence						TBC	Capital

Authority	Project Name	Category*	Financial Year	Lead	Comments	Estimated Resource Days				Resource Note	Budget (£)	Revenue or Capital? (£)
						Bus Analyst / Project Manager	Apps / Web Analyst	Infra - structure Engineer	Service Desk			
BOTH	Uniform 8.3 upgrade and MS Office 2007	5	13/14	ICT Service	UNIFORM 8.3 upgrade will require MS Office 2007 as Office 2003 is not compatible	TBC	TBC	TBC	TBC		TBC	
BOTH	Implement Blackberry Enterprise Server and smart phones	5	13/14	ICT Service	This is so that the councils conform to Gov Connect requirements in relation to secure email access via mobile phones.	TBC	TBC	TBC	TBC		TBC	

***Category Key**

- 1 = Invest to save
- 2 = Completion of SS implementation
- 3 = ICT review recommendations
- 4 = Legislative requirements
- 5 = Service Requirement

The Equalities Act 2010 includes a new public sector equality duty (both a general duty and specific duties), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The duty places a range of steps that are legally required by local authorities covering issues such as: assessing relevance, using and publishing equality information, engagement, equality analysis, equality objectives, commissioning and procurement and business planning and reporting.

ICT Shared Services will integrate the general equality duty into service planning and will ensure that Equality Impact Assessments are conducted wherever appropriate.

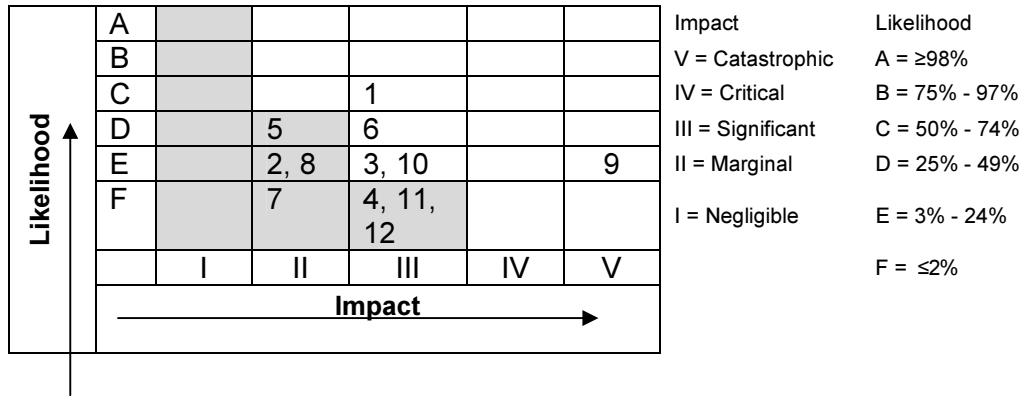
3.8 Risk Management

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
ICT 1	Insufficient staff and skills or key staff leaving the organisation before the service is outsourced	Service Disruption	III	C	<p>Staff working on technical services or capital projects would have most direct impact. Arrangements would be made to bring in temporary cover for the gap in resource.</p> <p>There is now more documentation available than when the shared service was implemented. Therefore, if staff are unavailable for support of due diligence or transition to outsourced provider, information can still be made available to the supplier. If the service is retained in-house, there will be the need to fill all vacancies and undertake recruitment actions are immediately.</p>	Requires Treatment	Yes
		Financial Loss	II			Last Review Date	Oct 12
		Reputation	III			Next Milestone Date	May 13
		Legal Implications	III			Next Review Date	Sept 13
		People	I			Date Closed	N/A
ICT 2	System failure – main ICT systems suppliers	Service Disruption	II	E	<p>All major suppliers used within the Shared Service are checked for financial standing and reputation prior to the contract being signed. In the event of contractor failure, other suppliers would be sought to provide similar services.</p>	Requires Treatment	No
		Financial Loss	II			Last Review Date	Oct 12
		Reputation	II			Next Milestone Date	May 13
		Legal Implications	II			Next Review Date	Sept 13
		People	II			Date Closed	N/A
ICT 3	Loss of Accommodation	Service Disruption	III	E	<p>This would result in all IT services being unavailable for a period of 36 hours. Following this, the Disaster Recovery arrangements would be operational and IT services for critical systems would be available to key staff at separate accommodation.</p>	Requires Treatment	Yes
		Financial Loss	III			Last Review Date	Oct 12
		Reputation	III			Next Milestone Date	May 13
		Legal Implications	III			Next Review Date	Sept 13
		People	III			Date Closed	N/A

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
ICT 4	Fraudulent Activity	Service Disruption	III	F	If fraud is committed by staff or customers, the impact could be significant on either the councils finances or reputation depending on the nature fraud committed.	Requires Treatment	No
		Financial Loss	III			Last Review Date	Oct 12
		Reputation	III			Next Milestone Date	May 13
		Legal Implications	II			Next Review Date	Sept 13
		People	I			Date Closed	N/A
ICT 5	Failure to deliver the ICT Capital Programme	Service Disruption	II	D	If the ICT Capital programme is not delivered, there may be an impact on the reputation of the service with the Councillors who would be less likely to approve capital funds in future years. There could also be a disruption to services if essential projects were not implemented on time or to quality standards.	Requires Treatment	No
		Financial Loss	II			Last Review Date	Oct 12
		Reputation	II			Next Milestone Date	May 13
		Legal Implications	II			Next Review Date	Sept 13
		People	II			Date Closed	N/A
ICT 6	Loss of portable storage device containing sensitive data	Service Disruption	II	D	The loss of portable storage devices could potentially have legal implications through a breach of the Data Protection Act. It is also likely that the loss of data in this way would be reported in the press and therefore result in a damaged reputation for the Councils	Requires Treatment	Yes
		Financial Loss	II			Last Review Date	Oct 12
		Reputation	III			Next Milestone Date	May 13
		Legal Implications	III			Next Review Date	Sept 13
		People	II			Date Closed	N/A
ICT 7	Virus introduced to the network via storage device	Service Disruption	II	F	The shared ICT service will have comprehensive security processes in place to ensure that the best protection is given against the threat of software viruses. If a virus was introduced, it is expected that services would be interrupted while the virus was isolated and the network cleaned.	Requires Treatment	No
		Financial Loss	I			Last Review Date	Oct 12
		Reputation	II			Next Milestone Date	May 13
		Legal Implications	I			Next Review Date	Sept 13
		People	I			Date Closed	N/A

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
ICT 8	Software being removed from the corporate network	Service Disruption	I	E	Software licensing could be compromised by staff illegally removing software owned by the Council. Both councils have processes in place to reduce this risk.	Requires Treatment	No
		Financial Loss	I			Last Review Date	Oct 12
		Reputation	I			Next Milestone Date	May 13
		Legal Implications	II			Next Review Date	Sept 13
		People	I			Date Closed	N/A
ICT 9	Disaster in Computer Centre	Service Disruption	V	E	The impact of this risk affects all services and the people affected would be customers and staff. E given because of past experiences which have been infrequent.	Requires Treatment	Yes
		Financial Loss	III			Last Review Date	Oct 12
		Reputation	III			Next Milestone Date	May 13
		Legal Implications	I			Next Review Date	Sept 13
		People	IV			Date Closed	N/A
ICT 10	Power Outage longer than 1 hour	Service Disruption	III	E	For this risk, all services disrupted, but for less time. The likelihood rating is based upon past experience.	Requires Treatment	Yes
		Financial Loss	I			Last Review Date	Oct 12
		Reputation	I			Next Milestone Date	May 13
		Legal Implications	I			Next Review Date	Sept 13
		People	I			Date Closed	N/A
ICT 11	Slow / unreliable network communication between TRDC and WBC	Service Disruption	III	F	Services could be affected because of slow links. Network resilience has been established to avoid disruption, hence the low likelihood.	Requires Treatment	No
		Financial Loss	I			Last Review Date	Oct 12
		Reputation	I			Next Milestone Date	May 13
		Legal Implications	I			Next Review Date	Sept 13
		People	I			Date Closed	N/A

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
ICT 12	Insufficient handover between internal SSICT & any potential outsourcing provider	Service Disruption	I	F	There is the risk that handover is not sufficient. This has been mitigated by ensuring sufficient time for due diligence, regular checkpoint meetings and transition time before service commencement.	Requires Treatment	No
		Financial Loss	III			Last Review Date	Oct 12
		Reputation	II			Next Milestone Date	May 13
		Legal Implications	I			Next Review Date	Sept 13
		People	I			Date Closed	N/A



RISK TREATMENT PLAN

Risk Ref:	ICT 1	Risk Title:	Insufficient Staff and Skills		
Responsibility	<i>Who is managing the risk?</i>		Head of ICT		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		<p>The IT service that will be provided will be limited and as a result there will longer waiting times for resolutions and fixes. It can go wrong whereby there is not enough capacity to deal with customer requests.</p> <p>This has happened in the past.</p> <p>Lack of key skills in areas will result in a drop in support and service. Impact on reputation as there will be a loss of confidence in BIS staff, frontline services may be affected which may therefore affect members of the public.</p>		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		<p>Long term staff absence or temporary staff absence.</p> <p>Possible skills gap not analysed and managed as the implementation of shared services begins. No cross training or knowledge sharing implemented which reduces the resilience within the team.</p>		
Existing Control	<i>What controls exist now to minimise the risk?</i>		<p>Currently looking at the cross training for Applications Analysts to improve resilience within the teams. Work and information documented where possible. Ensure that effective handovers are completed.</p>		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>		Evidence is required – not just a statement that the controls are working.	Impact II	Likelihood D
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		<p>At present some staff are still being cross trained, however some staff have skills across most areas and we continue to ensure that cross training is part of the day to day tasks that all teams undertake as there ICT landscape changes.</p>		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Perhaps additional training costs?	Not identified for FY13/14 as yet	
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>		Enter here the 'status' of the risk, i.e. how it has changed over time, when the further controls are expected to take effect etc.	Impact III	Likelihood C
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>		By the means of cross training and building up resilience other team members will be able to help on a particular issue whether it is related to the applications team or the infrastructure team.	Impact III	Likelihood C

Risk Ref:	ICT 3	Risk Title:	Loss of Accommodation		
Responsibility	<i>Who is managing the risk?</i>		Head of ICT		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		Loss of access to building where ICT staff are located. The building may be affected by a disaster taking it out of action for long periods, or by power failure meaning health and safety requirements prevent access. Neither site has experienced long term disruption.		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Major incidents such as fire, flood, bomb (real or threat) or loss of power to the building making it unsafe to enter.		
Existing Control	<i>What controls exist now to minimise the risk?</i>		Disaster recovery arrangements are in place at TRDC to allow key staff to relocate to the DR test centre (Uxbridge) in the event of a building not being available. This provision allows for 60 staff to relocate. WBC currently have no relocation site, however other sites are available such as Wiggenshall Depot and Three Rivers House.		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>	Key staff could relocate from TRDC to the recovery centre. WBC staff could relocate to TRDC or work from home via the VPN.	Impact	Likelihood	
			III	F	
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		Further discussion could take place with HCC to identify alternative accommodation if the existing arrangements were deemed inadequate or unsuitable. There might also be cheaper options than the existing DR arrangements. Availability in other buildings such as Basing House, Watersmeet.		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Not at present.	£ ??	
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>	TRDC staff could relocate to alternative accommodation. WBC staff can relocated into spare office space at TRDC and also work from home.	Impact	Likelihood	
			III	F	
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>	Risk action will have worked if disruption is minimised in the event of accommodation being unavailable i.e. staff are with within a pre-agreed time – 24 hours.	Impact	Likelihood	
			III	F	

Risk Ref:	ICT 6	Risk Title:	Loss of portable data storage device containing sensitive data		
Responsibility	<i>Who is managing the risk?</i>		Head of ICT		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		Devices such as laptops, memory sticks, PDA's and CD's all have the ability to store data/information. Damage to reputation, loss of public confidence and trust. Sensitive data being used for unknown purposes. Breach of data protection act. Financial implications. It has gone wrong for other public sector bodies.		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Staff being unaware of the following policies, information and security and Internet and email policy. Staff and external suppliers not adhering to rules regarding the use of memory sticks.		
Existing Control	<i>What controls exist now to minimise the risk?</i>		Within Internet & Email policy (WBC) there is an explicit rule of not using memory sticks. This same guidance has been issued within the Information Security policy (WBC)		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>		No current known loss of data from WBC or Three Rivers.	Impact	Likelihood
				IV	B
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		Data can still be copied to laptop hard drives and CD's. Education of staff of new Information Security (WBC) policy. Look at preventing staff from saving data locally.		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Staff time	£ Enter cost here	
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>		Implementation of WBC Information Security policy.	Impact	Likelihood
				III	D
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>		Risk can be tolerated.	Impact	Likelihood
				III	E

Risk Ref:	ICT 9	Risk Title:	Disaster in Computer Centre		
Responsibility	<i>Who is managing the risk?</i>		Head of ICT		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		Loss of Data Loss of Service until DR kicks in + possible interruptions during back to normal process i.e. during restore or replacing servers Air conditioning failure causing servers to “melt” If DR correctly applied short time to back to normal but long time to repair all damages and ensure cost recovery		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Could be water leakage, malfunction of air conditioning, fire, etc Wrong concept for air-flow		
Existing Control	<i>What controls exist now to minimise the risk?</i>		DR with ADAM for trailer and generator – WBC DR with Phoenix for relocation to DR site.		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>		Previous flood at WBC – Service back up and running after 4 days (cheque payment) and service to public after one more day.	Impact V	Likelihood E
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		Implement remote control for hardware. Increase bandwidth between sites so that data replication between SANs can happen continuously (even during working hours). (I.e. WBC ↔ TRDC) This would allow DR quickly and each data provide full resilience for the other.		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Yes – increasing the bandwidth between WBC and TRDC –	Tbc	
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>		Currently awaiting outcome of due diligence with Capita – once outcome is known, we will be able to decide whether the council should put this in place or whether it will be provided by Capita.	Impact IV	Likelihood E
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>		The measures recommended will enable the service to be restored from either data centre to the other with minimal disruption.	Impact V	Likelihood F

Risk Ref:	ICT 10	Risk Title:	Power outage longer than one hour		
Responsibility	<i>Who is managing the risk?</i>		Head of ICT		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		Localised or more widespread power failure preventing ICT equipment from operating. A variety of reasons can cause power failure, all would have the same affect on the service. Power failure has occurred at TRDC resulting in 1 day without access. WBC has UPS systems in place, which allow the safe shutdown of servers. Neither site has experienced long term disruption		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		A failure of the electricity supply. This could result from a number of different causes		
Existing Control	<i>What controls exist now to minimise the risk?</i>		WBC has UPS systems in place to safely shut down hardware and a switchable power supply to manage some causes of power loss		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>		There are no controls at TRDC to manage power loss. The controls at WBC would manage the safe shutdown of services and allow for power supply to continue in some instances of power loss.	Impact	Likelihood
				III	C
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		TRDC to improve UPS facilities in the server room. To test the UPS at WBC regularly.		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		No yet identified.		
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>		The current position is that the TRDC server environment is more vulnerable to power loss. WBC controls are adequate. However this will change if the service is outsourced since the preferred bidder would plan to move all our servers to their data centre and only use the WBC data centre for resilience.	Impact	Likelihood
				III	C
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>		The action will have worked if a power failure in the future has a minimum impact and services will be able to continue as normal.	Impact	Likelihood
				II	F

Version Control

Version No.	Date	Reason for Update / Significant Changes	Made By
1.10	05/11/12	Draft for discussion of contents	APa
1.12	07/11/12	Draft to be approved by Joint Shared Services Committee	APa

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REVENUES & BENEFITS SERVICE PLAN

2013- 2016

Version 0.3 Shared Services Joint Committee
19 November 2012

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SECTION 1: KEY PURPOSE OF THE SERVICE

1.1 Scope of the Service

The services provided are a statutory function

The following activities will be the responsibility of the Revenues and Benefits Shared Service:

- Issuing of Council Tax and National Non-Domestic Rates Bills;
- Maintenance of database for billing purposes;
- Collection and Recovery of payments of Council Tax and National Non-Domestic Rates Bills;
- Administration, assessment and payment of Housing Benefit and Localised Council Tax Support;
- Issuing of bills for recovering of Housing Benefit and Council Tax Benefit Overpayment;
- Recovery of arrears of repayment of Housing Benefit and Council Tax Benefit Overpayment;
- Writing off of Housing Benefit and Council Tax Benefit overpayment in accordance with the policy of the relevant local authority;
- Compilations of returns to central Government relating to Revenues & Benefits;
- Provision of administrative and support services relating to Revenues & Benefits;
- Calculation of Council Tax Base;
- Collection fund accounting;
- Recommendation for approval of Discretionary Housing Payments
- Recommendation for approval of applications for discretionary National Non-Domestic Rate Relief and National Non-Domestic Rate Hardship Relief;
- Authorisation of officers to attend court for purposes relating to prosecutions for non payment of Council Tax and National Non Domestic Rates;
- Approval of write-offs of bad debts within the scope of the policies established by each Council for the write-off of bad debts.
- Preparation of benefit subsidy claims;
- To provide Management Functions to support both Revenues and Benefits

The following will be the responsibility of the relevant councils:

- Approving and Setting of Council Tax;
- Approval of benefit subsidy claims;
- Approval of Discretionary Housing Payments;
- Approval of reductions under S13A Local Government Finance Act 1992
- Approval of applications for discretionary National Non-Domestic Rate Relief & Hardship Relief;
- Determination of policy for second homes;
- Determination of policy for write off of bad debts
- Design and Approval of Localised Council Tax Support Scheme

The service is currently provided from Watford Town Hall with a local outlet in South Oxhey and Three Rivers House. A visiting service is also provided across the two authority areas.

1.2 Contribution to Shared Services Objectives	
Savings	<ul style="list-style-type: none"> The pressures on the Revenues & Benefits Service are such that there is an increasing demand for Benefits with an increasing caseload. This is having a consequential effect on the collection of Council Tax in particular. More efficient methods of communication are being developed with a greater emphasis on self-service and “e-billing” and “e-notification” that will generate savings in the long-term. However in the short-term there will be a need for growth bids to provide additional resources.
Resilience	<ul style="list-style-type: none"> The Service has now developed so that there is more of a unified approach to service delivery. Workload is not allocated on an authority basis and a harmonised approach has been adopted. In exceptional circumstances, staff can be concentrated to deal with work for a particular authority, for example at year end when a particular system may not be available, to minimise “downtime”. The multi-skill approach will also provide flexibility to reallocate workload and provide cover during holiday periods and sickness absence and ensure that satellite facilities are staffed. 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. Greater cover should enable leave and training to be scheduled more easily without detriment to the service. There will be a greater resource to meet changes. Specific examples include: <ul style="list-style-type: none"> 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 in anticipation of changes to the retention of Business Rates with effect from 2013. Quality and training officers will predominantly be working on benefits but will have exposure to revenues work also. Reconciliations on council tax refunds, direct debits etc. are now performed by a number of staff within the shared service reducing the reliance on a sole individual. Recovery staff will deal with a diversity of collection – Council tax, NNDR, Sundry Debtors and housing benefit overpayments.
Improved Services	<ul style="list-style-type: none"> Promotion of the use of electronic access and telephone, minimise face-to-face contact especially for revenues. Cash-less, cheque-less, electronically enabled service Increased levels of home-working Mobile working – taking the service to the customer – particularly vulnerable groups Taking benefit services to the customer through the use of mobile technology which will allow benefits assessors to capture benefits claims information in the correct format, verify it and process claims quicker improving accuracy and reducing time spent on correcting errors. The use of intelligent e-forms to improve productivity of less experienced benefits staff and enabling front line CSC staff to handle more benefits queries

	<ul style="list-style-type: none">• Enable as much high volume, low complexity queries as possible to be resolved at first point of contact i.e. the Customer Service Centres of each council. The aim is for 80% of revenues queries and 60% of the benefits queries to be handled by CSC staff and the remainder to be passed directly to the shared service back office. There will continue to be a benefits specialist presence from the shared service located at each CSC to allow any face-to-face queries also to be resolved at first point of contact. Expert staff will be left to focus on more complex queries• More responsive service due to larger size of team and increased joint resources• Aim to reduce the volume of sundry invoices, particularly at Watford Borough Council and time taken to recover debt• The consolidation of all benefits processes under one manager, including any policy training and quality monitoring to ensure full accountability within one team• A centralised document processing team providing economies of scale to scan paperwork, process direct debits and provide general administrative support to the service allowing expert officers to concentrate on the areas in which they have been trained.
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1.3 Contribution to the Councils' Strategic Objectives	
Three Rivers District Council	
Economic Opportunities	<p>3.2.1 Improve access to Benefits</p> <ul style="list-style-type: none"> - Extend the number of Benefit Surgeries to include Watford Town Hall - Implement Self Service System for Benefit Claimants
Customer Service	<p>4.1.1 We will strive to improve and maintain service standards for all services</p> <ul style="list-style-type: none"> - RB03 – Speed of processing new claims - RB04 – Speed of processing changes of circumstances
Watford Borough Council	
CP4 Operating the Council efficiently and Effectively	By providing a service that supports those residents who are more vulnerable in terms of low income. The aim of the service is to ensure those with a genuine need are able to access the support they need quickly and effectively.

1.4 The Future of the Service

2013/14

- Full implementation of e-services that will include: Self-Service Options for Council Tax Payers, Business Rate Payers, Benefit Claimants and Landlords, E-claim capability, b-billing, e-notifications
- Trusted Third Party Access allowing advice agencies to assist clients with queries locally
- Integration of Academy (Revenues & Benefits) with Lagan (CSC Watford) to enable more queries to be handled by CSC staff
- Increased automation of processes such as ATLAS case manager to deal with increased notifications from DWP
- Operation of Local Council Tax Support Scheme to replace Council Tax Benefit
- Operation of Housing Benefit Scheme taking into account Welfare Reforms such as “Bedroom Tax” and Benefit Cap
- Introduction of Universal Credit to be phased in from October 2013. The full effect of this is not yet known
- A more flexible regime of workload management to include the use of external resources to deal with fluctuations in workload and potential reductions in staff numbers through “natural wastage”.
- Closer working relationships established with Housing Departments, Housing Association Partners and Jobcentre Plus
- Potential review of the service dependent on the outcome of Soft Market Testing exercise
- Review of Payment methods and potential introduction of barcodes to offer easier payment options
- Review of operation of Sundry Debt collection in light of changes to other service areas, (Markets, Charter Place, Trade Refuse).

2014/15

- A revised Local Council Tax Scheme for each authority to meet the expected challenges of a reduction in grant
- Ongoing Migration of Universal Credit with more Housing Benefit cases being subsumed into that Benefit
- Increased use of multi-skilling to address challenges of Universal Credit and provide greater opportunity to redeployment of staff
- The potential for a reduction in establishment to meet the reduction in caseload created by the implementation of Universal Credit
- Potential increase in establishment in Revenues if collection and recovery becomes more challenging under Universal Credit and Council Tax Support
- Continued closer working with partners both external and internal

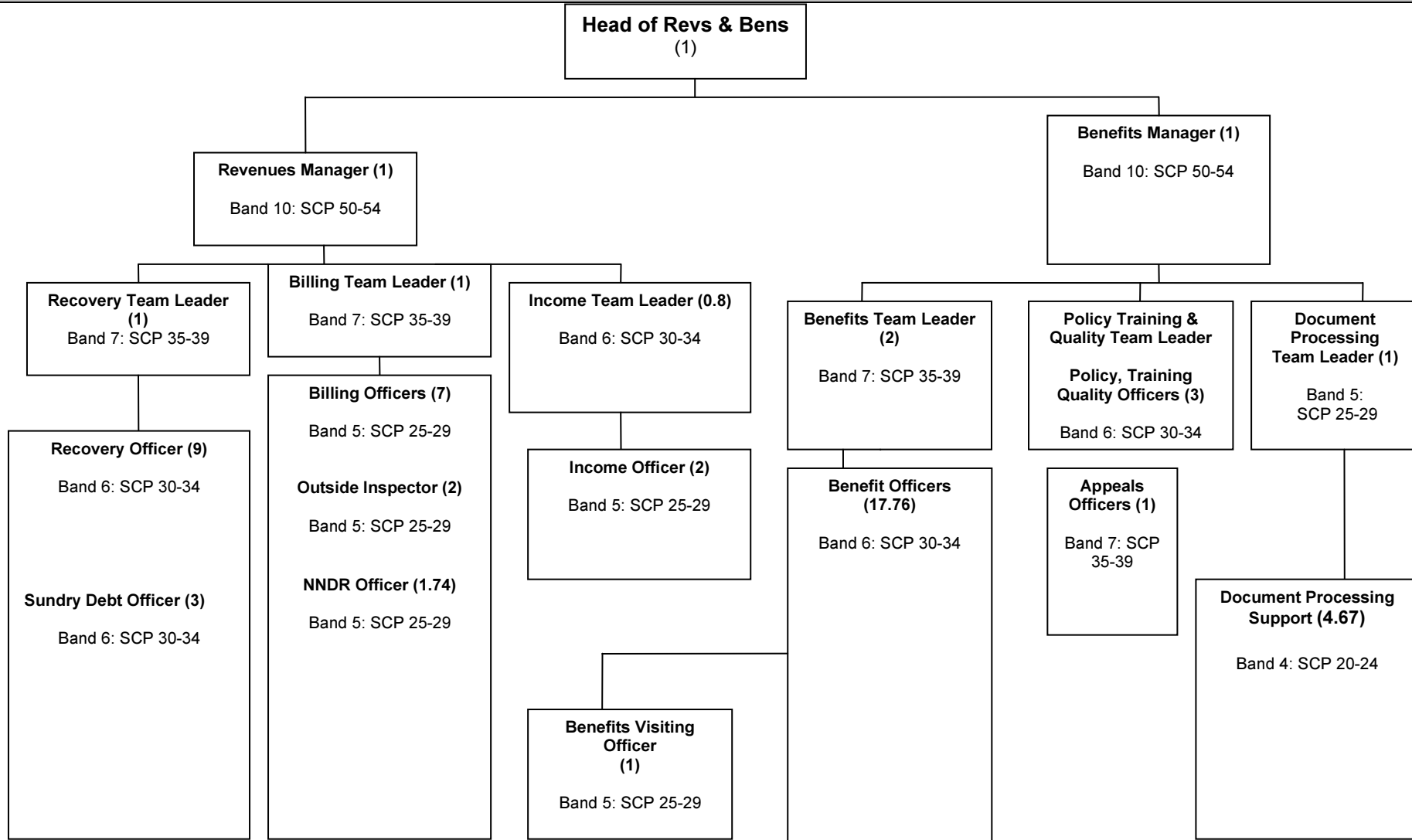
2015/16

- Continued Migration of existing Housing Benefit caseload, both Working Age & Pensioner cases.
- Further reduction in establishment as a consequence of Universal Credit.

Continued closer working with internal and external partners

SECTION 2: INPUTS

2.1 People – Organisation Chart October 2012



Job Title	Grade	No.	FTEs	'Vacant'
Head of Revenues & Benefits				
Revenues Manager	Band 10	1	1	
Recovery Team Leader	Band 7	1	1	
Recovery Officer	Band 6	10	9	
Sundry Debt Officer	Band 6	5	3	
Billing Team Leader	Band 7	1	1	
Billing Officer	Band 5	7	7	
NNDR Officer	Band 5	2	1.74	0.26
Outside Inspector	Band 5	2	2	
Income Team Leader	Band 6	1	0.8	.2
Income Officer	Band 5	2	2	
Benefits Manager	Band 10	1	1	
Benefits Team Leader	Band 7	2	2	
Policy Training & Quality Team Leader	Band 7	1	1	
Appeals Officer	Band 6	1	1	
Benefits Officer	Band 6	19	16.76	2.24
Benefits Visiting Officer	Band 5	1	1	
Trainee Benefits Officer	Band 4	2	2	
Policy, Training & Quality Officer	Band 6	3	3	
Document Processing Team Leader	Band 5	1	1	
Document Processing Support officer	Band 4	5	4.67	.33

2.2 Workforce Planning			
Overview			
Workload – Trends & Changes	Staffing Implications – Impact on Service & Individuals	Options & Preferred Solutions	Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service
Developing the staff in order to deal with external influences such as changes in legislation and increases in workload	<p>Uncertainty and worry for individuals in those areas. Possibility that some may seek alternative employment before this. The service will need to retain experienced staff if performance is not to suffer.</p> <p>The current economic climate in general and volume of work seen by the service has limited opportunities in this field.</p> <p>Future changes to the Benefit System (Universal Credit and Council Tax Benefit) will have an impact on service delivery</p>	<p>Preferred solution is to have staff sign-up to shared services and retained. Reductions achieved through natural wastage</p> <p>We need to ensure that the teams are fully staffed to meet the demands and that the appropriate systems are in place to deal with this. Where necessary, use of external resources will be employed to meet any fluctuations in workload</p> <p>A Phased Migration of Universal Credit from October 2013 will delay the full impact of UC. In itself this will delay a</p>	<p>The proposed Localised Council tax Support Schemes will retain the “means-tested” element so will continue to be administered by Benefit staff. Phased Migration of Universal Credit will lessen the impact on Housing Benefit caseload in the short-term</p> <p>Adequate Budget Provision will be required in the short-term to meet the need for additional resources due to an increasing caseload and potential backlog in addition to a greater pressure on Council Tax Collection</p> <p>Potential outcome could be a greater emphasis on Council Tax collection if the proposed changes result in there being a greater challenge in collection.</p> <p>Corporately there will be a pressure on budgets from</p>

	and will require a further review of the service	review until 2014, however, consideration will be required for closer working with partners to meet the challenges of UC	2013 with a reduction in grant to support Council Tax Benefit and an anticipated reduction in Benefit Admin Grant from 2013 onwards due to an anticipated reduced caseload.
CSC Implications	<p>The original assumption was that some elements of Revs & Bens will transfer to CSC in Three Rivers and Watford – 80% revenues, 60% benefits.</p> <p>This will call for additional training to be given to each CSC in the areas identified</p>	<p>A trained benefits officer from the Shared Service will need to be permanently based in the One Stop Shops at both councils.</p> <p>CSC staff will deal with council tax enquiries and non-complex benefits queries</p>	<p>Investment in intelligent e-forms will allow benefit enquiries and a high level of council tax queries to be dealt with by CSC staff. This will allow the trained council tax and benefits officers to concentrate on the more difficult work.</p> <p>There needs to be a substantial resource invested in development of the CSC during the implementation period both in terms of getting the cut-off points right and training the staff. This will provide the perfect opportunity to undertake some business process re-engineering.</p> <p>This has commenced in 2011 with Council Tax enquiries being dealt with by both CSC and a “triage” of benefits queries at One Stop Shops being operated. The early indicators are that this is achieving the required results and that the time take to reach a benefit decision is reducing</p> <p>The integration of Academy and Lagan will enable more calls to be handled by Watford CSC and provide a platform for integration with Three Rivers DC subject to the upgrade of those CRM facilities</p>
Home working	May be an attractive option to some members of staff for whom travel to Watford would cause difficulties.	<p>Need to identify the number of staff that as an optimum could work from home.</p> <p>Staff would have to be capable of working with little direct support (i.e.</p>	<p>Less office space, different ways of monitoring output, may need specific home working policy.</p> <p>Fewer interruptions would lead to increased productivity.</p>

		<p>staff would have to be fully trained in their role or it could be used for specific tasks).</p> <p>Working from home would have to meet with the service needs and fit in with corporate aims.</p> <p>Existing use of remote working is currently in place as service demands require</p>	
Mobile benefit officer working	<p>May be an attractive option to some members of staff who prefer an out of office role with more direct contact with customers.</p> <p>Will allow the service to be taken out to our customers.</p>		<p>This has been operated successfully on a basic level with home visits being made to vulnerable claimants. An enhances service will be implemented during 2013 using Mobile Technology provided by our software providers, Capita, (Academy)</p>
Succession planning	<p>Staff are aware of a potential career path through the organisation.</p> <p>Impact on service is minimised because there are no gaps for key roles in the service (even if only on an interim basis).</p>	<p>'Growing your own' through the new structures e.g. team members learning to be team leaders and team leaders learning to be managers Leadership development training on-going. Identify skills/knowledge transfer programme.</p>	<p>Need to invest in training and staff development.</p> <p>If recruitment can be done from within the learning period is shorter and benefits reaped more quickly.</p> <p>To support this staff have commenced external study for IRRV Qualifications to enhance the knowledge base.</p> <p>The availability of opportunities can restrict the success of this approach</p>
More use of technology to improve performance and realise savings	<p>By offering more self-service options, staff will be able to concentrate on</p>	<p>Delivery of self-service solutions commenced in 2012 and this will be rolled</p>	<p>The level of savings will be determined by the take-up of these solutions.</p>

	<p>processing work with interruptions.</p> <p>Technology will also enable more complete applications reducing the time involved in chasing information. (BECS)</p> <p>Technology will also be used to track defaulting taxpayers to enable more effective recovery and to ensure greater accuracy of the Council Tax database</p>	<p>out further in the 2013. During 2013 full use will be made of “e-claims” to adapt to the challenges of Universal Credit and encourage more use of digital applications</p> <p>Tracing defaulting taxpayers has already commenced.</p> <p>A review of Single Person and other status Discounts was conducted in 2012 and will be continued annually.</p>	<p>There will be an increase in Council Tax and NNDR collection rates with fewer write offs.</p> <p>There will be a more accurate representation of the bad debt as more efforts are being taken to chase debtors meaning that the ones left are genuinely untraceable.</p> <p>An accurate representation of the number of Single Discounts will ensure the Council Tax Base is optimised</p>
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2.3 Partnerships & Contracts	
Partner / Partnership	Expected Outcomes
The Appeals Service Magistrates and County Court Valuation tribunal	An effective forum to support the decision making process be it a Benefits Decision, A Liability Decision or to assist in the Recovery of outstanding debts.
Jobcentre Plus Housing Associations Welfare agencies Citizens Advice Bureaux Landlords	A co-ordinated approach to meet the challenge of Welfare Reform ranging from Local Council Tax Support to Housing Benefit Reform to Universal Credit. To be able to provide support advice and information for citizens.
Valuation Office Rent Officer	An accurate database for billing of Council Tax and Business Rates and an accurate award of Housing Benefit
External Auditors	An accurate financial position established with Certified HB Subsidy Claim and NNDR returns
External bailiffs/collection and tracing companies Internal/External solicitors	Effective and efficient debt recovery ensuring that those that can pay do and that we identify bad debts promptly to make a more efficient use of recovery resources.
DWP DCLG	We are kept up to date with Welfare Reform and made aware of any legislative changes in Benefits Administration as well as Council Tax & Non-Domestic Rate collection and administration
Capita Anite	An efficient and accurate operating system that will enable us to administer all areas of Revenues & Benefits administration and provide innovate future solutions such as self-service and "e-services"
Cooperative Bank / Natwest Bank	Efficient income management

2.4**Assets & Technology**

Office space for 67. Potential to reduce further depending on the success of home working.

Sufficient storage to meet statutory document retention.

67 PCs or laptops/tablet PCs

Mobile phones for 6 people

6 printers

4 scanners

1 fax machine

1 Photocopier

Facilities for communal recycling, shredding etc.

Integrated Revenues & Benefits System with interfaces to document processing systems, CSC system, main financial system, income distribution and cash receipting systems

Mobile technology software

Direct debit software

Sundry Debt System (module of Financial Management System)

Mobile technology

2.5 Current Budgets

Draft Estimates	2012/13	2013/14	2014/15	2015/16
	Revised	Original	Original	Original
	£	£	£	£
Employees	2,617,680	2,386,330	2,431,180	2,455,080
Transport	17,520	25,820	25,820	25,820
Supplies and Services	320,120	285,280	285,280	285,280
Contracted and Agency Services	1,300	-	-	-
Recharges	1,300	-	-	-
Total	2,955,320	2,697,430	2,742,280	2,766,180
<i>Budgets agreed by the Joint Committee November 2011</i>				
Employees	2,361,180	2,467,010	2,563,020	
Transport	19,760	19,760	19,760	
Supplies and Services	285,280	285,280	285,280	
Contracted and Agency Services	-	-	-	
Recharges	-	-	-	
Total	2,666,220	2,772,050	2,868,060	
Additional Savings (-) / Costs	289,095	- 74,620	- 125,780	

2.6		Revenue Growth, Service Reductions and Cashable Efficiency Gains		
		2013/14 £	2014/15 £	2015/16 £
1	Potential Growth			
	Benefits Activity – On-going external support for benefits processing	200,000	0	0
	Revenues Activity – Additional budget to avoid detrimental affect on collection rates and systems support	50,000	0	0
	Total	250,000	0	0
2	Service Reductions			
	None	0	0	0
	Total	0	0	0
3	Cashable Efficiency Gains			
	None	0	0	0
	Total	0	0	0

2.7 Capital Investment

Scheme Name	New Scheme	Capital				Revenue Implications				Savings	Resilience	Improvement
		2010/11 £	2011/12 £	2012/13 £	Future Years £	2010/11 £	2011/12 £	2012/13 £	Future Years £			
None												

SECTION 3: OUTPUTS AND OUTCOMES

3.1 Customer insight and consultation

3.1.1 Customer access channels

Service Area	Information Access	Service Access
Benefits	Face to face or telephone, internet, leaflets	Face to face, telephone, internet or self-service
Taxation	Face to face or telephone, internet, leaflets	Face to face, telephone, internet or self-service

3.1.2 Customer identification and segmentation data

Service provided	Customer group	Segmentation data held
Provision of benefits	Residents	Names Addresses Income National Insurance Numbers Working status Age Ethnicity (optional to provide)
	Landlords	Names Addresses Details of tenants on benefit
Billing and collection of council tax	Residents	Names Addresses Council tax property band Discounts/exemptions awarded Payment profile (regular/bad payer etc.)
Billing and collection of business rates	Businesses	Names Addresses Rateable values Discounts/exemptions awarded Payment profile (regular/bad payer etc.)

Sundry Debt Collection	Internal service departments	
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3.1.3 Communication and consultation methods

Service provided	Inform	Consult	Engage
Provision of benefits	Leaflets, e-mails, internet, face to face, telephone	Satisfaction survey Landlord Forums	Face to face Landlord Forums
Billing and collection of council tax and business rates	Bills and leaflets, e-mails, internet, some face to face	Satisfaction survey	Electronically, telephone

3.2 Service Level Agreements

Service Level Agreements have been established with Watford Community Housing Trust setting out target performance and response times in addition to means of contact and escalation procedures. A copy is held in the shared drives.

Other Housing Associations have been invited to sign up to the agreement.

Service Level Agreements are also in place with the Valuation Office Agency and the Pension Service

3.3 Performance Indicators

Reference SSRB1	General Debts Raised.															
Indicator Definition	Value of Sundry Debtor Invoices Raised (£m).															
Target	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	1.2	2.4	3.6	4.7	1.2	2.4	3.6	4.8	1.3	2.5	3.7	4.9	1.3	2.5	3.7	5.0
Watford	4.5	9.0	13.5	18.0	4.6	9.2	13.6	18.4	4.7	9.4	14.1	18.8	4.7	9.5	14.2	19.1
Outcome	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	1.4	2.3														
Watford	4.6	9.8														
Comments on Performance – Figures shown are for the final month in that quarter. Figures are gathered on a monthly basis.																

Reference SSRB2	General Debtors Collected.															
Indicator Definition	Percentage of debt collected at end of quarter.															
Target	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	75.0	89.0	90.0	91.0	75.0	89.0	91.0	92.0	75.0	89.0	91.5	93.0	75.0	89.0	92.0	94.0
Watford	75.0	89.0	90.0	91.0	75.0	89.0	91.0	92.0	75.0	89.0	91.5	93.0	75.0	89.0	92.0	94.0
Outcome	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	71.88	79.82														
Watford	75.81	89.06														
Comments on Performance - Figures shown are for the final month in each quarter. Reliant on Service Departments issuing demands promptly.																

Reference SSRB3	Council Tax Collection Rates															
Indicator Definition	Percentage of Council Tax collected															
Target	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	32.1	59.9	88.6	98.2	30	58	86	96	30	58	86	96	30	58	86	96
Watford	28.6	55.2	82.4	95.6	28.6	55.2	92.4	95.6	28.6	55.2	92.4	95.6	28.6	55.2	92.4	95.6
Outcome	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	29.2	57.8														
Watford	28.1	54.7														
Comments on Performance – Figures shown for the final month in each quarter. Collection target set as in-year collection. Targets for 2013 set lower than 201/13 to allow for potential difficulties in collection due to Welfare Reforms																

Reference SSRB4	Business Rates Collection															
Indicator Definition	Percentage of Business Rates collected															
Target	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	34.4	61.4	89.4	99.2	34.5	61.5	89.5	99.3	34.6	61.6	89.6	99.3	34.7	61.7	89.7	99.4
Watford	33.5	60.4	88.8	97.0	33.6	60.5	88.9	97.1	33.7	60.6	89.0	97.2	33.8	60.7	89.1	97.3
Outcome	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	34.3	61.5														
Watford	32.6	56.6														
Comments on Performance - Figures shown for the final month in each quarter.																

Reference SSRB3	Speed of Processing - new claims for HB / Council Tax Support															
Indicator Definition	Average time taken from date claim made to date decision made															
Target	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	30	28	27	25	25	25	24	24	22	22	22	22	22	22	22	22
Watford	30	28	27	25	25	25	24	24	22	22	22	22	22	22	22	22
Outcome	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	43.92	28.11														
Watford	42.95	29.5														
Comments on Performance – Targets for 2014 onwards will be revised further as Universal Credit has a greater impact on caseload. Additional external resource will be utilised to reduce backlogs (section 2.6 refers)																

Reference SSRB6	Speed of Processing – change in circumstances – HB / Council Tax Support															
Indicator Definition	Average time taken from date notification received to date decision made															
Target	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	20	18	17	15	15	15	15	15	14	14	14	14	14	14	14	14
Watford	20	18	17	15	15	15	15	15	14	14	14	14	14	14	14	14
Outcome	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	38.12	33.64														
Watford	35.49	35.35														
Comments on Performance – Targets for 2014 onwards will be revised further as Universal Credit has a greater impact on caseload. Additional external resource will be utilised to reduce backlogs (section 2.6 refers)																

Reference SSRB7	Speed of Processing – new claims for HB / Council Tax Support															
Indicator Definition	Average time taken from date all information provided to date decision made															
Target	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	15	15	15	15	10	10	10	10	10	10	10	10	10	10	10	10
Watford	15	15	15	15	10	10	10	10	10	10	10	10	10	10	10	10
Outcome	2012/13				2013/14				2014/15				2015/16			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	19.76	14.84														
Watford	20.2	12.15														
Comments on Performance – Targets for 2014 onwards will be revised further as Universal Credit has a greater impact on workload																

3.4 Benchmarking Information

We are part of the Herts Benefits Managers' Group and Herts Revenues Managers' Group. Both groups report all performance data to the Herts Chief Finance Officers' Group which meets on a bi-monthly basis.

In addition we are also members of the BenX Benchmarking group allowing us access to Benefits related performance data and best practise in Cambridge, Colchester, Hertsmere, Ipswich, Lincoln / North Kesteven, Luton, North Herts, Oxford, St Albans and Welwyn Hatfield as well as the Home Counties' Revenues Benchmarking Group providing access to best practise across Beds, Berks, Bucks, Oxon, Herts and Milton Keynes.

3.5 Outstanding Recommendations of External Inspections

Grant Thornton Report to those charged with governance (ISA260)– September 2012

	Assessment	Recommendation	Management comments	Implementation date and responsibility
1	Medium	Council tax debtor account listing The Council should run detailed year end debtor listings to support the council tax debtor balance.	Agreed - This was not run this year based on Capita guidance about the length of time that the programme would run. Capita advise that it cannot be run retrospectively – it must be run at that point in time. The Council though will ensure that the full detailed report is run for 2012-13 at year end regardless of Capita advice.	April 2013 K Stewart Revenues Manager

Recommendations		
High Priority		
We recommend that the Shared Service:	Paragraph number	
1	<input type="checkbox"/> quantifies outstanding ATLAS work and immediately implements plans to clear all the outstanding notifications and introduce standardised work processes, ensuring prompt action on all future notifications. This will avoid further overpayment of benefit and reduce any subsidy losses.	3.23
2	<input type="checkbox"/> urgently constructs a capacity plan that includes all known future work to identify the actual cost of recovery and that Members should be made aware of the actual costs of sustaining improvements.	3.18
3	<input type="checkbox"/> amends the indexing of documents to create a change of circumstances category to better identify outstanding changes of circumstances.	3.13
4	<input type="checkbox"/> pursues and extends, where possible, its plans to automate processes to reduce processing and handling time and increase efficiency.	3.49

Medium Priority

We recommend that the Shared Service:

1

maintains tighter control of the contract to ensure that work is actioned in line with the original agreement. This should involve negotiating and closely monitoring specific timelines and milestones for completion of the work allocated.

2

ensures the planned corporate review of scanning and indexing should include automating processes, addressing any confusion over post received from South Oxhey, prioritising fast-track claims and introducing trigger points to investigate delays.

3.31

3

reduces the 15 day target for fast-track claims to, at most, 7 days in order to encourage further take up and make the most of this initiative.

3.35

4

routinely analyses errors in information given or collected by customer services' staff relating to triage and fast-track claims. Feedback loops should be formally introduced to improve customer services staff's knowledge of HB/CTB and to reduce waste through rework.

3.36

5	<input type="checkbox"/> ensures the assessors covering the counter action all work taken in from customers they see each day. This will reduce rework, improve efficiency, speed up processes and reduce the occurrence of customers revisiting numerous times to resolve their queries.	3.37
6	<input type="checkbox"/> introduces key targets that are as straightforward as possible and only include volumes, speed and accuracy of decisions on new claims and changes.	3.46
7	<input type="checkbox"/> considers the impact of e-claiming on the back office processes, mapping out and standardising the new process.	3.48

3.6 Projects

The one major project will be the implementation of the suite of Academy “E-Services”.

Project	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 2015	2015 2016	Progress / Comments									
Implementation of Academy Self-Service Modules											Complete									
Implementation of Academy / Lagan Integration 1																				
Implementation of BECS On-line claim form																				
Implementation of Trusted 3 rd Party Access, E-billing and Mobile Working																				

3.7 Equalities

The Equalities Act 2010 includes a new public sector equality duty (both a general duty and specific duties), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The duty places a range of steps that are legally required by local authorities covering issues such as: assessing relevance, using and publishing equality information, engagement, equality analysis, equality objectives, commissioning and procurement and business planning and reporting.

Revenues & Benefits Shared Services will integrate the general equality duty into service planning and will ensure that Equality Impact Assessments are conducted wherever appropriate.

RISK REGISTER

	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
Risk Ref	Brief Description – Title of Risk	See Impact Table	See Impact Table	See Likelihood Table	Use this box to describe how the score has been derived		
RB 1	Insufficient staff	Service Disruption	I	E	This impact has been assessed taking into account 'normal' circumstances. It does not assume the scenario of a flu pandemic where there would be a national shortage of staff. Under normal circumstances it is usually possible to engage agency staff easily, although this will be more expensive than budgeted payroll costs.	Requires Treatment	No
		Financial Loss	I			Last Review Date	05/11/12
		Reputation	I			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/10/13
		People	I			Date Closed	dd/mm/yy
RB 2	Failure of ICT systems	Service Disruption	II	D	Although the likelihood of losing ICT Systems is considered low, in the event of it happening, the Business Continuity Plan determines timescales within which the systems should be made available in order to avoid a significant impact. For this range of services those timescales are:- Benefits - 48 hours Overpayments - 48 hours Billing & Collection of	Requires Treatment	No
		Financial Loss	I			Last Review Date	05/11/12
		Reputation	I			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/10/13
		People	I			Date Closed	dd/mm/yy

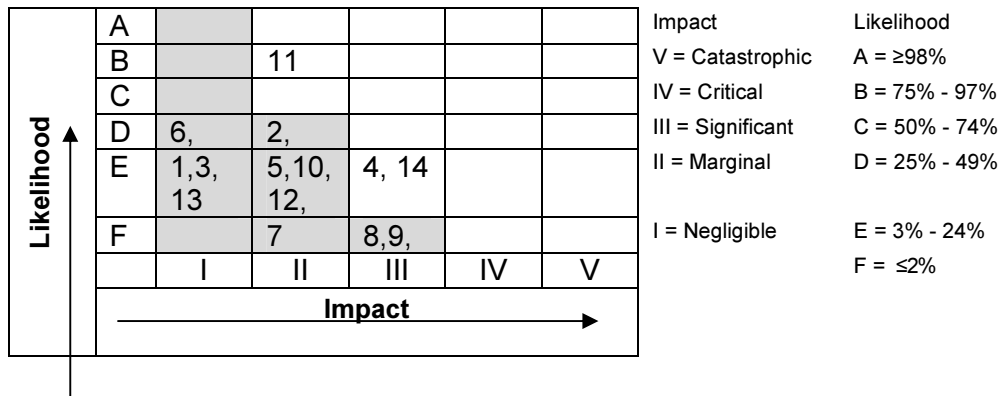
					Council Tax & NNDR - 48 hours Sundry Debtors - 5 days		
RB 3	Loss of accommodation	Service Disruption	II	E	Although the likelihood of losing accommodation is considered low, in the event of it happening, the Business Continuity Plan determines timescales within which accommodation should be made available in order to avoid a significant impact. For this range of services those timescales are:- Benefits - 48 hours Overpayments - 48 hours Billing & Collection of Council Tax & NNDR - 48 hours Sundry Debtors - 5 days The ability of staff to work from locations away from the office now that we have an electronic data management system has considerably reduced this risk.	Requires Treatment	No
		Financial Loss	II			Last Review Date	05/11/12
		Reputation	II			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/10/13
		People	I			Date Closed	dd/mm/yy

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
RB4	Losses incurred due to internal fraudulent activity	Service Disruption	III	e	Potential impact of any loss could be great both financially and reputationally. However, controls are in place to limit the opportunity for such action	Requires Treatment	Yes
		Financial Loss	III			Last Review Date	05/11/12
		Reputation	III			Next Milestone Date	
		Legal Implications	III			Next Review Date	01/10/13
		People	III			Date Closed	

RB 5	Recession leads to greater take-up of benefits and added pressure on service	Service Disruption	II	E	Given that we are currently in a recession there is a high probability that more people will claim benefit. It is irrelevant whether those claims are processed successfully, the additional work will lie in checking and processing.	Requires Treatment	No
		Financial Loss	II			Last Review Date	05/11/12
		Reputation	II			Next Milestone Date	Ongoing
		Legal Implications	II			Next Review Date	01/10/13
		People	II			Date Closed	dd/mm/yy
RB 6	Recession leads to more non-payment of council tax and business rates	Service Disruption	I	D	We are maintaining collection levels at or above previous years. Provision will be made for anticipated reductions in collection due to impact of Local Council Tax Support. The financial effect will be on cash-flow and lost interest.	Requires Treatment	No
		Financial Loss	II			Last Review Date	05/11/12
		Reputation	I			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/10/13
		People	I			Date Closed	dd/mm/yy
RB 7	Recession means it is more difficult to collect sundry debts and HB overpayments	Service Disruption	I	D	We are maintaining collection at or above past years	Requires Treatment	No
		Financial Loss	I			Last Review Date	05/11/12
		Reputation	I			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/10/13
		People	I			Date Closed	dd/mm/yy

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
RB 8	Breach of Data Protection etc Acts	Service Disruption	I	F	Staff are trained to know that they must not disclose personal data.	Requires Treatment	No
		Financial Loss	I			Last Review Date	05/11/12
		Reputation	III			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/10/13
		People	I			Date Closed	dd/mm/yy
RB 9	Injury to staff or customer	Service Disruption	I	F	Safety procedures in place for lone workers and those visiting customers at home. H&S policies and training in place.	Requires Treatment	No
		Financial Loss	I			Last Review Date	15/08/12
		Reputation	I			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/08/13
		People	III			Date Closed	dd/mm/yy
RB 10	Benefits are not realised once shared services is implemented or realised later than planned.	Service Disruption	II	E	<ul style="list-style-type: none"> - Councils do not achieve remaining £1.4m in savings - Service performance deteriorates/does not improve - Little or no return on investment 	Requires Treatment	No
		Financial Loss	II			Last Review Date	05/11/12
		Reputation	II			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/10/13
		People	I			Date Closed	
RB 11	Operational performance drops during the transition period and early phase of implementation.	Service Disruption	II	B	<ul style="list-style-type: none"> - BVPIs drop resulting in member and customer dissatisfaction - Negative feedback from Audit Commission during annual audit - Cost of additional resources to improve performance - Credibility of programme drops 	Requires Treatment	Yes
		Financial Loss	II			Last Review Date	05/11/12
		Reputation	II			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/04/13
		People	I			Date Closed	
RB 12	Harmonisation of operational policies to deliver business improvement is either not achieved to a sufficient	Service Disruption	II	E	- Benefits not achieved as per business case or at additional cost	Requires Treatment	No
		Financial Loss	I			Last Review Date	05/11/12
		Reputation	I			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/04/13
		People	I			Date Closed	

	level or takes longer than anticipated.						
RB 13	Contracts with systems suppliers are not robust enough	Service Disruption	I	E	- Poor performance - Increased licence/maintenance or implementation costs - Delays to implementation -	Requires Treatment	No
		Financial Loss	I			Last Review Date	05/11/12
		Reputation	I			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/10/13
		People	I			Date Closed	
RB 14	A reduction in the number of Benefit Assessors above that planned in advance of the full implementation of Universal Credit	Service Disruption	III	E	- Poor performance - Increased licence/maintenance or implementation costs - Delays to implementation -	Requires Treatment	Yes
		Financial Loss	II			Last Review Date	05/11/12
		Reputation	III			Next Milestone Date	Ongoing
		Legal Implications	I			Next Review Date	01/10/13
		People	III			Date Closed	



RISK TREATMENT PLAN

Risk Ref:	4	Risk Title:	Losses incurred due to internal fraudulent activity.		
Responsibility	<i>Who is managing the risk?</i>		Phil Adlard		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		Financial (and integrity) loss to the Councils and the public purse. A breach of controls either by an individual alone or in collaboration. To date there have been no incidents of this activity.		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Identified by Audit Inspection as a potential weakness at a corporate level that needs addressing		
Existing Control	<i>What controls exist now to minimise the risk?</i>		Auditors Internal controls Effective Fraud Section Regular reconciliations Education Prevention "Whistle blowing " policy Disciplinary / Legal action against staff Regular monitoring and updating of policies and procedures and ensure staff are aware of these		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>	There have been no reported incidents to date	Impact	Likelihood	
			See Impact Table	See Likelihood Table	
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		The controls listed above should be sufficient		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		No.		
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>	The current rating is as identified. The potential impact could be significant if there was a determined and deliberate fraud.	Impact	Likelihood	
			See Impact Table	See Likelihood Table	

Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>	There continue to be no incidents of fraudulent activity	Impact	Likelihood
			See Impact Table	See Likelihood Table

Risk Ref:	11	Risk Title:	Operational performance drops during the transition period and early phase of implementation.	
Responsibility	<i>Who is managing the risk?</i>	Phil Adlard		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>	Performance drops as staff become used to new ways of working. There has been experience of this occurring in the past.		
Cause / Trigger	<i>What happens to bring the risk into being?</i>	Change in system, changes in procedures and culture. Becoming used to working in different cultures.		
Existing Control	<i>What controls exist now to minimise the risk?</i>	Training is on-going with sufficient time for staff to practice prior to go live. Process change workshops have been held involving all staff.		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>	Existing controls not yet tested as we have not got to the point where the risk will come into being.	Impact	Likelihood
			See Impact Table	See Likelihood Table
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>	See above. In order to reduce the risk we have identified and resourced additional agency staff well experienced in the new system to reduce/prevent problems in benefit assessment which is very high profile.		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>	Additional agency staff.	£ 50 – 75k	
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>	Existing controls not yet tested as we have not got to the point where the risk will come into being.	Impact	Likelihood
			See Impact Table	See Likelihood Table
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>	The backlog reduces and processing times improve.	Impact	Likelihood
			See Impact Table	See Likelihood Table

Risk Ref:	14	Risk Title:	Unscheduled reduction in number of Benefits Staff.		
Responsibility	<i>Who is managing the risk?</i>		Phil Adlard		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		Staff will view the introduction of Universal Credit as a threat and may seek alternative, more secure employment elsewhere. We will be unable to appoint permanent replacements and there may be an added reliance on short-term temporary staff		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Staff leaving the department		
Existing Control	<i>What controls exist now to minimise the risk?</i>		Focus on alternative service delivery methods to divert attention to the opportunities that UC can offer. Potential to offer redeployment within the Service		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>		Existing controls not yet tested as we have not got to the point where the risk will come into being.	Impact	Likelihood
				See Impact Table	See Likelihood Table
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		The Soft Market Testing exercise will highlight alternative delivery methods and ways of working that can reduce the dependency on temporary staff		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		To be determined		
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>		Existing controls not yet tested as we have not got to the point where the risk will come into being.	Impact	Likelihood
				See Impact Table	See Likelihood Table
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>		Staff turnover is managed and successful redeployments are effected.	Impact	Likelihood
				See Impact Table	See Likelihood Table

Version Control

Version No.	Date	Reason for Update / Significant Changes	Made By
0.1	25/10/12	Draft for discussion of contents	PA
0.2	05/11/12	SSMT Comments	PA
0.3	08/11/12	Revenues & Benefits Management Team Comments	PA

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THREE RIVERS & WATFORD JOINT SHARED SERVICES COMMITTEE

Date of Meeting – 19 November 2012

PART A

AGENDA ITEM

9

Title: ICT CLIENT FUNCTION

Report of: Joint Report of Avni Patel – Head of ICT; and Bernard Clarke - Head of Strategic Finance, Watford

1.0 SUMMARY

1.1 This report sets out the structure and responsibility of the ICT Client function to be retained by the councils if the service is to be outsourced by Capita.

2.0 RECOMMENDATIONS

2.1 That Joint Shared Services Committee notes the activities which will be the responsibility of the councils.

2.2 That the Joint Shared Services Committee approves the recommended structure of the Client team.

2.3 That the Joint Shared Services Committee approves that the Client team is put in place as soon as transition begins and that it is reviewed 12 months after the commencement of the managed service contract.

Contact Officer:

For further information on this report please contact:

Avni Patel – Head of ICT

telephone number: 01923 727441

email: avni.patel@watford.gov.uk

Report approved by:

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

Bernard Clarke, Head of Strategic Finance - Watford B.C.

DETAILED PROPOSAL

3.1 Introduction

- 3.1.1 Retained organisation is the term used for the associated in-house functions when activities are outsourced to an external service provider.
- 3.1.2 There are two key aspects to the design of the retained ICT function for Watford Borough and Three Rivers District Councils:
- For the function to be effective in 'receiving' the service delivered, requiring a team where there is clarity of responsibility for inputs and outputs to and from the service provider (in this case, Capita).
 - For the function to be effective in performing its role in supporting the councils wider service demand.

Figure 1 below illustrates the operating model of the future ICT function.

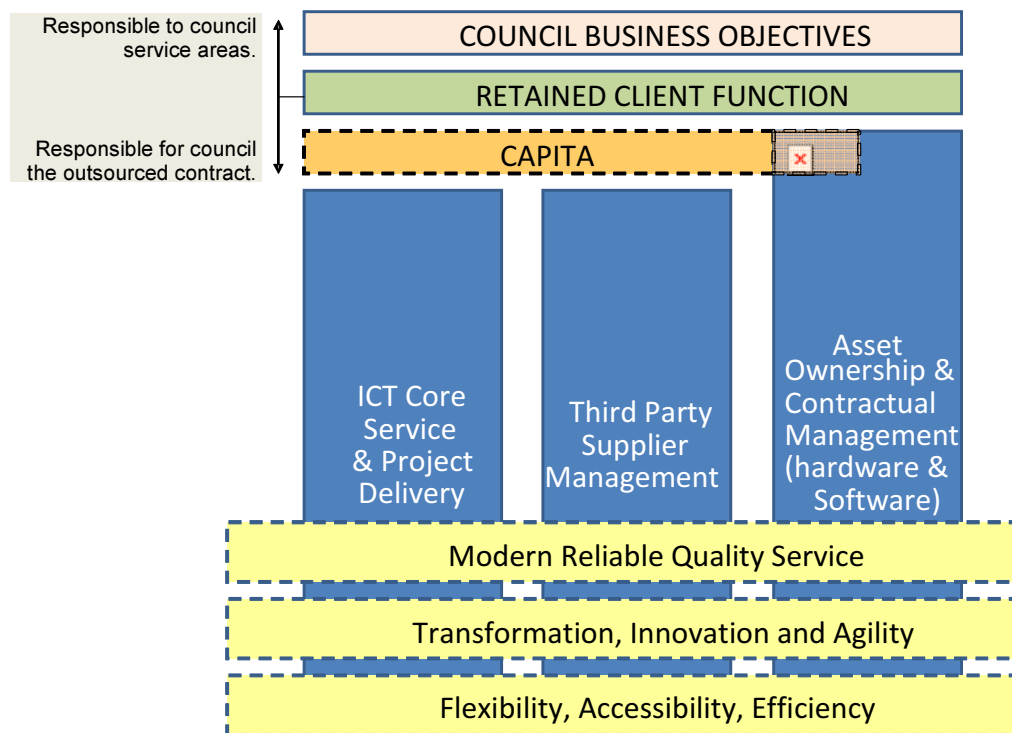


Figure 1: Future ICT Operating Model

- 3.1.3 An important role of the retained function is to manage a customer/supplier relationship, including the management of service level agreements (SLAs), performance reporting, billing, and issue resolution.
- 3.1.4 In the context of transition from the current internal service provision to the outsourced service delivery, a question that is often raised is 'What will the retained team do for me and why do I need it? Can't the outsourcing provider do it all for me?'
- 3.1.5 In adopting the outsourced model it is important for the client organisation to retain a certain level of knowledge and understanding in-house, to provide a level of governance and not just outsource everything.

3.2 Purpose of retained Service Delivery organisation

3.2.1 The retained ICT function will remain accountable to the rest of the Watford and Three Rivers services for providing an effective ICT Service. It retains the contracts with all service providers and holds the controls by setting service standards and assuring that the supplier meets these.

3.2.2 This function must enforce the service boundaries and responsibilities and be effective in its role. Therefore, the key activities and roles of the retained function are to:

- a) provide a level of assurance of the outsourced provider's contractual obligations and to ensure that they are providing the councils with what they need and expect;
- b) ensure that the wider council understands the ICT services available and how these can be used effectively as an enabler to operational business processes;
- c) act as the interface between the councils service areas and the outsourced provider;
- d) ensure that all future procurements and contracts are 'fit for purpose' and workable for the business;
- e) ensure that all suppliers understand and comply with the councils corporate and strategic strategies, ICT architecture, design and standards.

3.3 Capability of Retained Team

3.3.1 Figure 2 below summarises the ICT related areas which are expected to be retained by the councils, detail on each area can be found in Appendix 1:

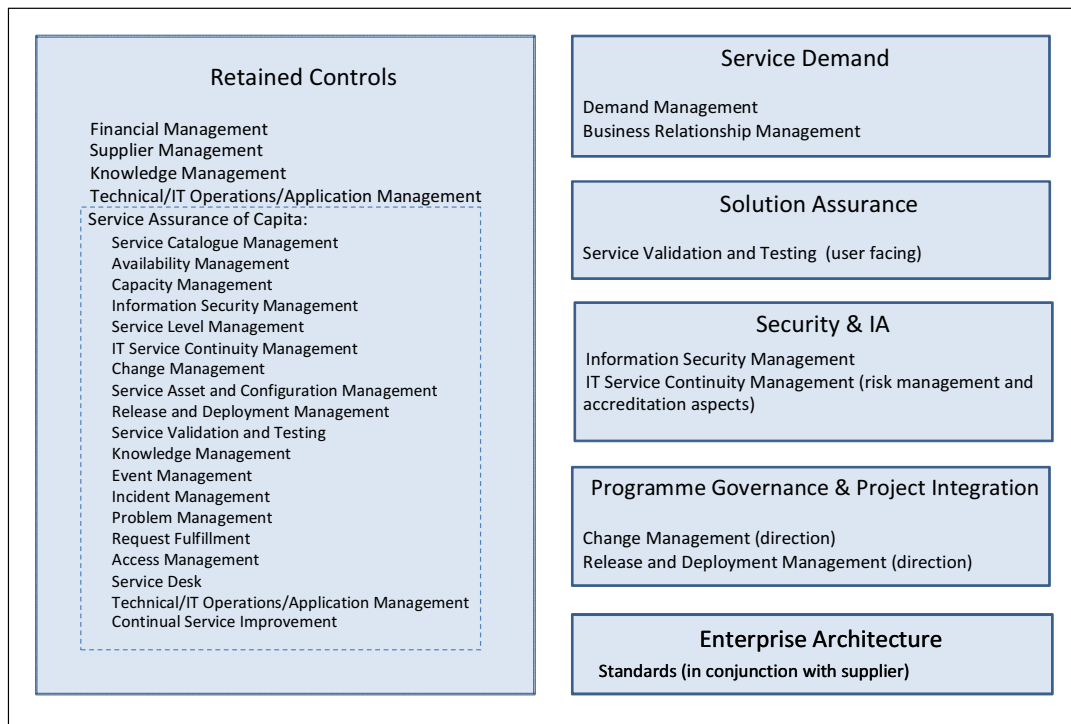


Figure 2: Capability of retained in-house client team

3.4 Proposed structure

- 3.4.1 There have been many discussions where it has been mentioned that outsourced providers “sweat the assets” of their customers. In the case of the ICT Tender, we have tried to ensure that the agreement we have with any supplier is outcome based. We therefore, have not prescribed what we want the supplier to do, but instead have focussed on what we want to achieve as a result of outsourcing (quality, efficiency, innovation etc).
In order to ensure that we are getting this from the contract, we will require resource that is capable of “sweating the supplier” so that we take charge and are in control of what is delivered to us. This is essential with the current climate within the public sector, but will be vital in the future as services continue to seek efficiencies via technology and our stakeholders increasingly look to interact with us electronically and with more ease.
- 3.4.2 Having considered the approach used by other councils, advice from Actica Limited and the requirements that both councils have from a retained client function. It is recommended that the client team be put in place as in time for transition (currently estimated to commence in mid-January 2013) and be comprised of two intelligent client managers who would be proficient at both contract management as well as the technical aspects of an ICT service. A team of two will allow the councils to ensure that there is sufficient resource to facilitate good communication between the services and the Service Provider. The team will report to the Head of ICT until the service is transferred, at which time it will report to the Head of Strategic Finance at WBC as per the current shared service arrangement. They will be located together at one of the council buildings and deal with the same range of work to ensure that resilience and consistency is maintained within the team.
- 3.4.3 These roles are expected to fall at scale point 9/10 under the NJC scheme, the budget for which was included in the retained costs highlighted within the report to JSSC in September 2012 regarding the outcome of ICT managed services tender evaluation.
- 3.4.4 It is recommended that:
- the client team be put in place as soon as a contract has been signed with a supplier in order for them to be up and running by the time the contract commences.
 - the make up of the client team be reviewed upon completion of the first year of the ICT contract to ensure that the resource levels within the team are right and that it is meeting its objectives for both councils.

4.0 IMPLICATIONS

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 The revenue implications for future years have been included within the previous report to Joint Committee relating to the outcome of the ICT Managed Services Tender. Revenue implications for the current year (January to March 2013) are as follows and have been included in section 2.5 (Budgets) of the latest ICT Service Plan :-

CASH IMPLICATION	Current Year 2012/13 £	2013/14 £	2014/15 £	Future Years per Annum £
Revenue				
Expenditure	29,370			
Income / Savings	0			
Net Commitment	29,370			

4.3 **Legal Issues** (Monitoring Officer)

Legal Services have been involved at all stages of this process (including the evaluation process) and will continue to do so until the service has been transferred or transformed.

4.4 **Risk Management and Health & Safety**

4.4.1 The subject of this report is covered by the ICT service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

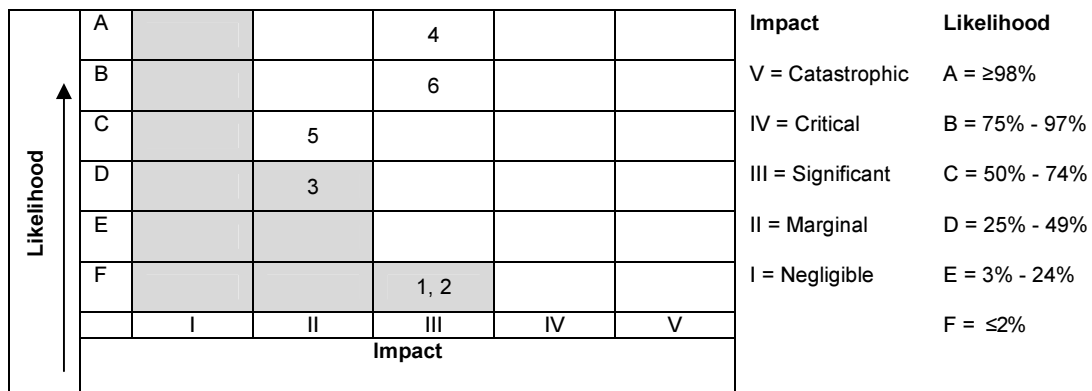
4.4.2 The following table gives the risks if the recommendation is agreed, together with a scored assessment of their impact and likelihood.

Description of Risk		Impact	Likelihood
1	The JDs will not be completed in time for the team to be recruited by January.	III	F
2	That the JDs will be completed but it will be difficult to recruit to the posts.	III	F
3	That it is not possible to recruit to the posts permanently until staff consultation is complete	II	D

4.4.3 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
4	That there is insufficient skill and/or resource to manage and monitor the contract effectively	III	A
5	That the client team is not implemented early enough and there is a delay in proper contract management	II	C
6	That the scope of the client team is too shallow and external resource has to be procured to deal with key issues	III	B

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.



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

4.5.1 None specific.

Appendices

Appendix 1 - Areas of capability required from a retained ICT Client Team

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

Report to JSSC 24/09/12 - OUTCOME OF ICT MANAGED SERVICES TENDER EVALUATION (Filename: Shared Services ICT Report 02.doc)

Areas of capability required from a retained ICT Client Team

Retained Controls

This function establishes and manages the contracts through which ICT services are provided (Supplier Management and Financial Management), ensures that knowledge is gathered, analysed and exploited by the Councils (Knowledge Management) and ensures that the Councils maintain a suitably skilled and experienced core team to perform the retained roles.

This area also includes service assurance of all the processes assigned to Capita to ensure that they are meeting their contractual obligations.

Since the Councils will retain assets and therefore contracts, the client team will need to manage initial procurement and any future re-provision of contracts (including the managed ICT service) as well as any third party contracts in accordance with the Councils ICT standards and procurement rules.

It will also be responsible for the contractual management of its suppliers, as opposed to the service (day to day, operational) management which should be devolved to Capita. To obtain value for money from suppliers and to provide seamless quality of service to the business, all contracts and agreements with suppliers must support the needs of the business and all suppliers must be held to their contractual commitments.

The retained team will also need to support management reporting from the suppliers engaged to provide ICT services to the Councils, either directly or indirectly via Capita. Vendor management will cover monitoring Key Performance Indicators (KPIs) and general service in addition to supporting the development of the partnering relationship by facilitating meetings between the Councils and its supply chain, both Capita and its successors.

A vital aspect of retained controls is to carry out the service assurance function, ensuring that Capita as the core supplier carries out its responsibilities in accordance with contracted service levels. It is important to understand that while Capita will carry out service management tasks for the rest of the supply chain, the retained team will need to independently service manage Capita itself.

The retained team will also need to ensure that the ICT Strategy and ICT Sourcing Strategy continue to support and facilitate the Councils strategic business objectives. This will involve ensuring that close links between the ICT function and the rest of the council are maintained, and that regular discussions are held to discuss council services and ICT strategy together.

Service Demand

This activity provides a link between the ICT service and the rest of the Councils service areas, both to understand, anticipate and influence demand for capacity requirements of current services (Demand Management) and to identify requirements for minor changes to current services (Business Relationship Management).

The Councils will need to ensure that the retained function establishes close working relationships with all of the councils service areas in order to align the ICT strategy with the councils objectives, to provide advice on how ICT can support or enable business improvements, to communicate ICT news effectively and to facilitate the provision of

external advice as needed. The aim of this role is to ensure that the business and ICT work in close partnership and to prevent departments from making ICT decisions and procuring services in isolation.

The retained team must also understand, anticipate and influence customer demand for ICT services and to work with capacity management to ensure that service providers have the capacity to meet this demand.

Solution Assurance

Provides confirmation from the councils perspective that any new releases have been implemented in accordance with relevant standards and with any changes in service requirement (Service Validation and Testing).

The Councils need to be content that ICT service releases will deliver a new or changed service that is fit for purpose and meets the specified requirements. The retained team will need to provide sufficient testing resources, representative of the end user community and to ensure that appropriate test, evaluation and acceptance activity is planned, executed and reported for each new or changed service.

Security and IA

Ensures that risks to the confidentiality, integrity and availability of the Councils information are identified and mitigated.

Standards and policy inform Capita while technical assurance and accreditation form part of Information Security Management which is owned by the Councils.

The Councils will need to ensure that its ICT services are delivered in a suitably secure manner to avoid compromise of its information assets. This includes defining and assuring security standards and ensuring that all ICT services are accredited, as well as tracking information security incidents.

The contract does specify information security standards required by the councils from the supplier, but the retained team must have the expertise to be able to monitor and assure the councils that these standards have been achieved and are being maintained.

Programme Governance and Project Integration

Coordinates changes to current ICT services from the customer perspective, including planning, directing suppliers and monitoring progress (Change Management) and ensuring that completed changes are released in a controlled manner and after appropriate test and validation activity (Release and Deployment Management). The changes themselves would be made by the supplier.

Although the Councils will need to ensure that its portfolio of ICT programmes and projects is well-managed and that expectations are managed and that deliverables from both suppliers and the Councils are understood, any change that is considered to be more significant than the minor changes that would be expected in a steady state situation is outside the scope of Service Delivery that is being considered.

However, even minor changes need proper governance and to be tested properly before they are rolled out. In this area, the retained Service Delivery organisation will need to work with Capita to ensure that the requirement and scope of minor changes is clearly understood, to manage the planning and implementation of the changes, and to carry out user testing to confirm that the change delivers the required service.

Enterprise Architecture (to be carried out in conjunction with the supplier).

Provides the overall context for the councils ICT services, informing service areas by developing and maintaining standards, designs and architectures that the councils systems and services must conform to.

The councils architecture would be a blueprint that shows how the council's different access channels, systems, business applications, platforms, services, tools and infrastructure components fit together. It would typically include:

- a) A map of systems and business applications, and associated interfaces;
- b) Standards for technology platforms and tools;
- c) A map of hardware infrastructure and data and voice network components;
- d) A comprehensive data model, showing how data is defined and organised;
- e) A unified framework in which new ICT developments and implementations are placed;
- f) Details of applications in use across the various departments

The client team would own the standards and guidelines associated with the overarching architecture and would have responsibility for resolving conflicts, agreeing variations to the standards and for developing new standards and integration plans and for providing advice to business units as needed.

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Agenda Item 10

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 19 November 2012

PART A

AGENDA ITEM

10

Title: INTERNAL AUDIT

Report of: Director of Corporate Resources & Governance

1. SUMMARY

1.1 This report seeks approval to enter into an agreement with the Hertfordshire Shared Internal Audit Service to provide internal audit services.

2. RECOMMENDATIONS

2.1 That internal audit services be provided by the Hertfordshire Shared Internal Audit Service and the Strategic Director of Finance (Watford) and the Director of Corporate Resources and Governance (Three Rivers) be delegated in consultation with the Chairman and Vice-Chairman of the Committee to enter into an appropriate agreement.

Contact Officer:

For further information on this report please contact:

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

telephone number: 01923 776611

email: david.gardner@threerivers.gov.uk

Report approved by:

Bernard Clarke – Head of Strategic Finance – Watford B.C.

3. DETAILED PROPOSAL

3.1 Attached at Appendix 1 is a proposal from the Hertfordshire Shared Internal Audit Service (SIAS) to provide internal audit services. At Appendix 2 is the Annual Report of SIAS for 2011/12.

3.2 This report is presented to the Committee in the light of:-

- the need for resilience following the resignation of the Head of Internal Audit who has accepted a post elsewhere (remaining staff only have the capacity to provide 330 audit days), and
- the request from Three Rivers D.C. that the Joint Committee achieve savings from internal audit.

4. IMPLICATIONS

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 to achieve resilience, improvement in service and savings from the functions delegated to the Joint Committee.

4.2 Financial

4.2.1 The current internal audit plan allows for 492 days. It includes 20 days consultancy for Watford (which will cease), and 25 days contingency (which will only be bought in if necessary). There is also a contract for 29 days specialist audits from Deloitte on ICT network infrastructure, virtualisation, and governance. SIAS will take over this work. In total this amounts to 447 days at £299 per day.

4.2.1 The revenue implications are as follows:-

	Current Year 2012/13 £	2013/14 £	2014/15 £	Future Years per Annum £
Revenue				
Current Costs		187,610	190,950	194,340
SIAS Charge		133,650	133,650	133,650
Saving		53,960	57,300	60,690

The table above excludes any inflationary increase from SIAS for years two and three and the reduction to 'partner rates' in year 4.

4.3 Legal Issues (Monitoring Officer)

4.3.1 The Head of Legal and Democratic Services comments that the authorities that comprise SIAS have agreed that the arrangement contributes to the promotion and improvement of the economic well-being of Hertfordshire and as such is permitted under Section 2 of the Local Government Act 2000. The authorities collaborate under Section 1 of the Local Authorities (Goods and Services) Act 1970.

4.4 Risk Management and Health & Safety

4.4.1 The subject of this report is covered by the Finance service plan. Any risks resulting from this report will be included in the risk register and, if necessary,

managed within this plan.

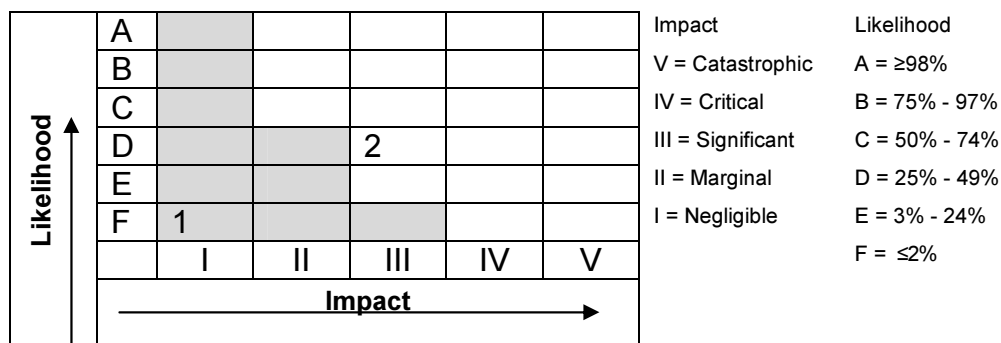
4.4.2 The following table gives the risks if the recommendation is agreed, together with a scored assessment of their impact and likelihood.

Description of Risk		Impact	Likelihood
1	That an agreement is entered into and SIAS fail to provide the service	III	F

4.4.3 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
2	That the current in-house service loses resilience and fails to deliver savings	III	D

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.



4.5 **Staffing**

4.5.1 Existing staff would transfer to SIAS under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). Staff are being kept informed of developments and there will be appropriate formal consultation should members agree the recommendation.

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

4.6.1 None specific.

Appendices

1. Watford / Three Rivers Proposal – SIAS
2. Annual Report 2011/12 - SIAS

Background Papers

No papers were used in the preparation of this report.

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Watford / Three Rivers Proposal

Introduction

Watford and Three Rivers Councils are considering joining the Shared Internal Audit Service (SIAS) as full partners from April 2013. This proposal note deals with the main associated employment and cost matters with a view to providing sufficient information for Watford and Three Rivers CFOs to reach a 'decision in principle'. Should this 'in principle' decision be to join the partnership then there would be further activity required to take forward the proposal including detailed legal agreements, formal decision making and staff consultation.

Summary

The key employment and cost matters concerning the proposal:

- Team members would TUPE transfer to Hertfordshire County Council (HCC) on 1 April 2013 or at a mutually convenient date to be agreed. Team members would transfer in to equivalent roles and would be offered HCC terms and conditions (although under TUPE they would also be entitled to retain Watford terms and conditions). It is understood that the current audit manager is to take up a role another organisation and so would not transfer to HCC.
- Watford and Three Rivers authorities have already reviewed the necessary level of audit resource when opportunities have presented themselves for this in the past, and have an ongoing requirement in the region of 447 days of audit annually. SIAS would wish to charge £299 per chargeable day for an initial three year period and full partner rates from year four onward.

Employment matters

The estimated resource to be brought into the service from the TUPE'ing staff would be 330 chargeable days based on current working patterns and assuming the staff would be working at SIAS target productivity levels.

Initially SIAS would make the following adjustments to its structure:

- Increase the Senior Auditor capacity in SIAS by 2. The existing W3R Senior Auditors would be assimilated into these posts. SIAS would commit to continuing the reduced hours working arrangements currently in place for both of these members of staff for a minimum of a two year period, and to continue them thereafter subject to the requirements of any review.

- Assign one of the existing SIAS Audit Managers to Watford & Three Rivers. Allocation of Audit Manager duties will be kept under review.
- Create a new post of Principal Auditor within SIAS and assign one of the Principal Auditors to Watford and Three Rivers.
- Terms and conditions: HCC would offer its terms and conditions to transferring employees who would also have the right to retain their Watford / Three Rivers T&Cs under TUPE. Any promotions thereafter would be to HCC T&Cs.
- Location: SIAS would require the three employees to be able to work at locations throughout the County. SIAS would make efforts to ensure work is generally organised relatively locally (ie at Watford, Three Rivers, Hertsmere and Welwyn Hatfield authorities) where possible, although given the skills, experience and cost profile of the three members of staff there will inevitably be a requirement for them to work at Hertford and Stevenage on occasions. Working from home is also encouraged. Initially, W3R will remain the formal 'office base' for expenses for these 3 staff but this will be reviewed in light of actual mileage patterns and, if appropriate, staff will be consulted on moving the formal 'office base' to Stevenage (as for rest of SIAS) in accordance with HCC's relocation policy.
- Pension contributions: the HCC Director of Resources and Performance confirms that the advice previously given holds: 'it has been agreed that the SIAS will be treated as in the same way as a 'transfer of functions: staff will come over at whatever their current funding level is. This means no requirement to transfer cash between authorities on TUPE transfer'.

Charges

The offer to Watford and Three Rivers is at the guideline rate agreed by the SIAS Board in September 2012, where it was agreed that in TUPE situations the daily rate should be 'partner rate plus 15%' dropping to partner rates from year 4. For 13/14 the partner rate has been agreed as no more than £260 per day. This therefore equated to a daily rate offer to Watford and Three Rivers of £299.

Next steps

The Watford and Three Rivers authorities are asked to consider the information in this document and advise on whether in principle they wish to join the Shared Internal Audit Service.

Helen Maneuf
26 October 2012



Shared Internal Audit Service

Annual Report

2011/12

Annual Report Contents

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Future Development	8-9
Our Board Members	10

Appendices

- A SIAS Balanced Scorecard
2011/ 2012
- B SIAS Trading Account 2011/2012
- C Definitions

Introduction

The Shared Internal Audit Service came into being on 1 July 2011 and is a partnership formed of six Hertfordshire Authorities:

- East Hertfordshire District Council
- Hertfordshire County Council
- Hertsmere Borough Council
- North Hertfordshire District Council
- Stevenage Borough Council
- Welwyn Hatfield Borough Council.

The partners' vision is to create a core assurance service that provides for resilience, efficiency, access to specialisms, high standards of customer service and career development opportunities for its employees. By delivering across these business objectives SIAS has had a tremendously successful first year of operation.

Equally as exciting, we see real opportunities for delivering additional value for our partners as we shape the future of SIAS.

I am delighted to set out this first SIAS annual report. The report begins by highlighting some of our key areas of success before describing the performance of the partnership during 2011/12; finally the report looks ahead to the development of the partnership for the future so that we fully deliver the partners' vision.

The Shared Internal Audit Service is very grateful for the enthusiastic and active support it has received from all stakeholders during the period. This has helped the service make significant steps forward and demonstrate the benefits of real collaboration and partnership working. I look forward to celebrating the ongoing success of SIAS with you in future.

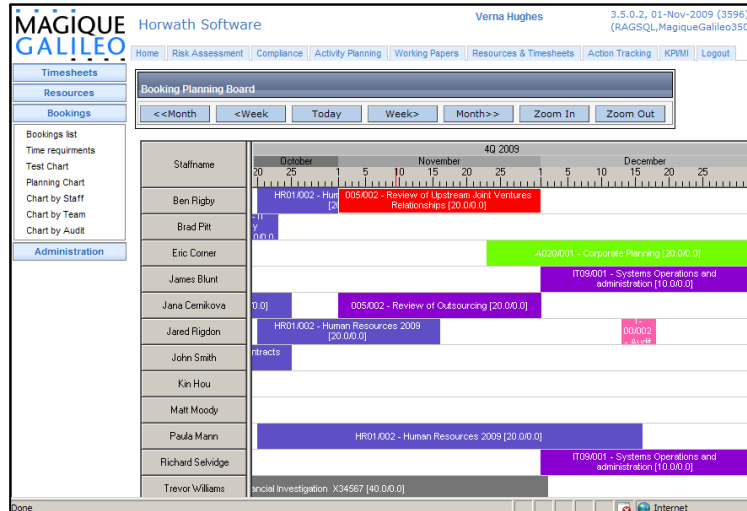


Head of Assurance for the Shared Internal Audit Service, May 2012



A smarter, leaner way of working

We have taken the opportunity to fundamentally review our audit approach, taking the best practices from each authority and we have incorporated leading industry standards. We have successfully implemented and trained all staff to use our innovative risk based LEAN audit methodology.



In 2011-12 we used the Galileo system for time recording and management information. A Galileo project team has been set up to make the integration to full electronic working papers. Further efficiencies will be achieved by utilising the Library system in Galileo where standard working papers will be stored to generate working papers for an audit.

Risk Matrix

Buttons: Edit, Print, Remove, Close

Details: Testing of Co., Categorisation, Review Points, Actions, Word Reports, Attachments, Status, Audit Trail

Buttons: Get Risks, New Risk, Expand All, Collapse All

Checkboxes: Risk, Expected Control, Test, Action Ref

Risk: 01 Possible fraudulent payments (Draft)
 Fraudulent payments could be made if proper controls are not put in place.

Buttons: Del Risk, New Control

Expected Control: **01.01 Only accept original invoices (Draft)**
 Control Design: Not Yet Entered

Buttons: Del Control, New Test

Solid Business Performance

With ever increasing financial pressures facing Local Government, the SIAS business model has contributed efficiency savings in order of £300k for its partner organisations. The SIAS risk focused approach has delivered high quality value added assurance work with less resource.



Commentary on financial performance can be found in the performance sections and our 2012/12 outturn is included in Appendix B.

Building resilience and a team for future challenges

We have made a significant investment in the development of our staff, which has been recognised through our Investor in People accreditation. Regular technical training has allowed our staff to stay on top of regulatory changes and cutting edge audit practices. Soft skills' training has given our staff the confidence and tools to work in a shared service environment. 89% of our staff are either qualified or studying for a professional qualification.

We have built an in-house provision for specialist audit work in the following fields:

- IT Audit
- Contract/Procurement Audit
- Counter Fraud Services
- CAATs
- Governance
- Risk Management



We are recognised as a trusted business advisor, critical friend and have an extensive resource and knowledge pool to add value to our partners.

First Class Customer Service

In order to monitor our effectiveness and improve our service, at end of each assignment we request the completion of a short satisfaction survey. We have been given and have acted upon invaluable improvement ideas, and we are proud of the fact that we have received 100% satisfactory or higher feedback rating from our customers.



'Thank you for responding so promptly to this request which was made at short notice.'

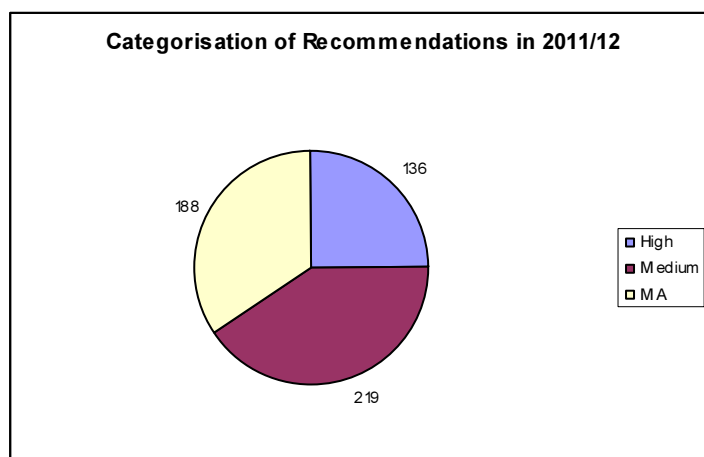
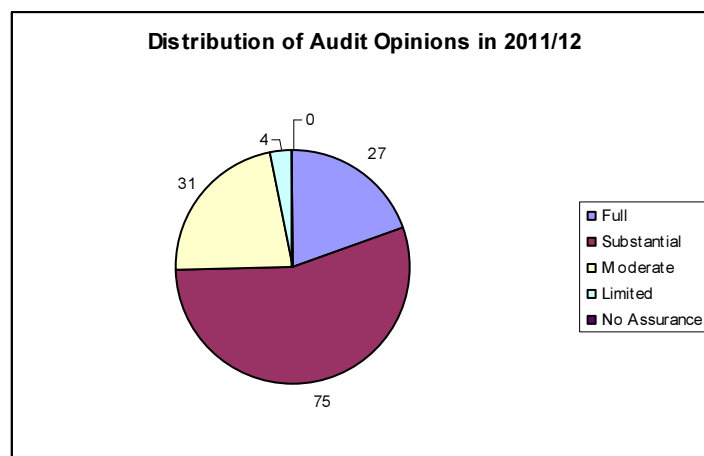
'You gave us enough notice before the commencement and allowed us time to provide the necessary audit details/examples. Your knowledge in this service area and to the system we use, certainly helped.'

'There were no issues with this audit and would suggest this is an excellent example of tailoring a repeat audit appropriately to ensure it was timely, accurate and not onerous.'

Performance

Context

SIAS worked on more than 290 assurance projects during the year giving assurance opinions and recommendations as demonstrated in the charts below:



Business Performance of SIAS

The overall business performance of SIAS is monitored by the SIAS Board by means of a balanced scorecard which provides a range of measures by which progress can be evaluated.

The full balanced scorecard for 2011/12 is provided in Appendix A to this report, and the headlines are summarised in the table:

Shared Internal Audit Service Annual Report

Indicator	Target	Actual as at 31 March 2012	Commentary
Progress against plan: actual days delivered as a percentage of planned days.	NA	88%	No target was set for this indicator because of the transitional year. 2928 actual days were delivered by March 31 2012.
Progress against plan: audits issued in draft by 31 March 2012	NA	84%	No target was set for this indicator because of the transitional year. 221 audits were delivered to at least draft stage by March 31 2012.
Client satisfaction	Satisfactory and above	100%	All audits met the minimum target; 10% rated as satisfactory; 19% rated as very good; 71 % rated as excellent.
Financials: income recovered	NA	£430,560	No target was set for this indicator. The figure represents income from District Councils only for 2011/12. For 2012/13 this will include income from HCC as SIAS adopts a traded approach.

The SIAS Board has identified that it requires further information in order to assess the business performance of the Shared Service such as information about factors influencing capacity levels. The Balanced Scorecard for 2012/13 will reflect this additional information.

Financial Performance of SIAS

Financial year 2011/12 was a transitional year and SIAS costs were treated as a cost centre in HCC accounts. The high level year-end position is shown in Appendix B. Across the partnership the total ongoing cost saving after initial set up costs were met is around £300,000 per annum.

For 2012/13 SIAS will operate on a trading account basis with HCC being invoiced for its audit days.

Professional Performance of SIAS

It is extremely important that SIAS can demonstrate it fully meets the anticipated professional standards for internal audit. SIAS must demonstrate that it complies with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom (2006).

A self-assessment was therefore carried out by the Head of Assurance to confirm that the service is compliant with the CIPFA Code. This exercise was reviewed by Grant Thornton, External Auditors to four of the organisations which form the SIAS partnership. The conclusion of this review was:

‘SIAS completed a self assessment of their performance against the CIPFA Code of Practice for Internal Audit. Based on this review, we have not identified any major issues. In general, it appears that SIAS are meeting the requirements in place, with the only exceptions being annual reporting / review which had not happened at the time of the review, given that SIAS had not yet reached the end of the annual cycle.’

For 2012, given the significant change in provision and a desire for a level of external scrutiny of the new arrangements, the SIAS Board agreed to adopt a peer review methodology for the annual SIAS review of effectiveness. The Director of Veritau (a well-established local authority internal audit company owned by North Yorkshire County Council and York City Council) was invited to conduct the review and was supported by the Transformation Manager from Hertfordshire County Council. The objectives of the review were:

- To assess the effectiveness of the SIAS Partnership for key stakeholders, in particular whether SIAS is meeting the key business objectives for which it was established in July 2011
- To meet the Code of Practice requirement for an annual review of effectiveness for IA
- To make recommendations to help improve the effectiveness of SIAS / develop the SIAS business where applicable

The main lines of enquiry were to assess the following areas from the original business case for SIAS:

- a) How resilient is the SIAS service
- b) How efficient is the SIAS audit process
- c) How far is SIAS a good place to work, and to
- d) Review the SIAS vision for 2012-2014 and consider whether the building blocks are in place for it to be delivered.

The assessors reviewed an evidence pack submitted by the Head of Assurance and then interviewed various stakeholder groups representing: senior leaders; auditees; employees of SIAS and the SIAS management team.

The assessors' conclusions were:

- a) SIAS has built a good reputation and profile – especially amongst senior client officers

- b) SIAS has the support of the Board which has recognised the significant effort by SIAS staff to reach the current position
- c) The service is beginning to deliver additional value as a result of the opportunities presented by working together
- d) The original SIAS business case objectives relating to cost reduction and enhanced resilience have been delivered
- e) An increasingly risk based approach is being adopted with reports that are clearly focussed on key issues
- f) The Lean Audit Approach which has been adopted and understood by team is leading to efficiencies
- g) The service is a good example that can be used for other areas looking to share services.

The assessors recommended the following:

- a) Work towards a seamless approach where work is carried out on behalf of SIAS by its partner PWC
- b) Ensure that all stakeholders understand the new SIAS approach
- c) Continue to embed communications at team level and help the team to understand their role in delivering the future vision of the service
- d) Ensure that the service responds to the changing nature of local government, continuing to build the skills it needs for the future
- e) Further improve the way in which IT is used to support the service
- f) Exploit opportunities for sharing learning across partner organisations
- g) Review the performance information used by the service to identify opportunities to report on 'value-added'.

Work is underway to determine steps to be taken to develop these areas, and proposals are to be developed for agreement at the SIAS Board and then inclusion into the SIAS Service Plan.

Future Development

The final section of this Annual Report looks forward to the future. The partnership has signed off this vision for SIAS:

‘SIAS aims to operate at industry-standard levels of productivity and output and to demonstrate best practice by being at the leading edge of audit service delivery. The service aims to operate as an exemplar shared service and provide a return on investment for the partner councils by identifying opportunities to grow the business’.

Five priority areas have been identified for development activity in the year ahead:

Establish a leading reputation in respect of governance, risk assurance and internal control services –ensuring SIAS delivers a good quality service

Be at leading edge of audit service delivery –ensuring SIAS delivers an efficient, resilient, cost-effective service

Build a team ready to meet the challenges of the future – ensuring SIAS the right skills to deliver in the changing public sector environment

Be an exemplar shared service with a ‘return on investment’ for partners – achieving benefits from the shared service for all the partners, demonstrating that it is a viable approach, understanding why that is and being able to creating a convincing case for others to hear

Be a first choice public sector internal audit provider in the region with a growing client base.

The detailed development actions which feed into each of these priority areas were agreed by the Board in March 2012 and are monitored regularly by the SIAS Management Team. The table below sets out the mission-critical activities:

Priority	Activity
Leading reputation in governance, risk and control	Systematic approach to identifying learning to be established; shared exercises to be carried out Benchmarking partners across IT, procurement and fraud areas Shared approach to audit planning
Leading edge of service delivery	Implementation of working papers module of Galileo Implementation of Shared Service laptop solution for IT

Shared Internal Audit Service Annual Report

Priority	Activity
	Trading account Working with PWC to ensure consistency in approach to delivery of assurance work
Team are ambassadors with the right skills	Team skills development plan Support for professional training and SIAS trainee Defining SIAS Values and Behaviours Knowledge transfer activity with PWC Focus on increasing levels of employee engagement
Exemplar shared service	Marketing strategy and work with PWC to improve commercial skills

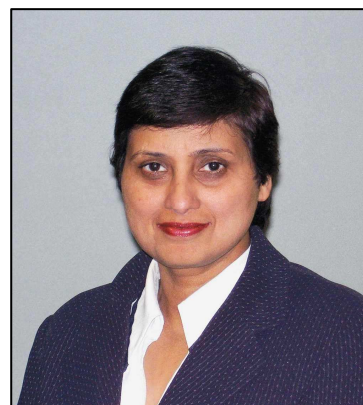
Building on the strong foundations already in place, these activities will take SIAS forward in the year ahead in a way that we believe will be to the benefit of all the partnership stakeholders.

Our Board Members

The SIAS Board provides strategic direction and oversight for the partnership, bringing a wealth of local government experience and insight to our operation.



Scott Crudgington, SBC
Director of Resources



Sajida Bijle, HBC
Director of Resources



Norma Atlay, NHDC
Director Finance, Policy & Governance



Bob Jewell, WHBC
Director of Finance and Operations



Mike Parsons, Herts CC
Director Resources & Performance



Helen Maneuf, SIAS
Head of Assurance



Alan Madin, EHDC
Director of Internal Services

Appendix A: SIAS BALANCED SCORECARD AS AT 31 March 2012



SIAS Rolling Audit Balance Scorecard 31st March 2012

Progress Against Plan		Audit Progress		Level of Assurance		Recommendations		Client Satisfaction		Financials	
<i>Total Plan Days</i>	3324	<i>Planned</i>	3	<i>Full</i>	27	<i>High</i>	136	<i>Excellent</i>	71%	<i>Total Billed Days</i>	1794
<i>Actual Days to Date</i>	2928	<i>Not Yet Allocated</i>	0	<i>Substantial</i>	75	<i>Medium</i>	219	<i>Very Good</i>	19%	<i>HCC Days</i>	1047
<i>Percentage progress*</i>	88%	<i>Audit Brief Issued</i>	0	<i>Moderate</i>	31	<i>Low</i>	188	<i>Satisfactory</i>	10%		
<i>*expresses total actuals against total plan days</i>		<i>Field Work Started</i>	20	<i>Limited</i>	4			<i>Potential for Improvement</i>	0%	<i>Total</i>	2841
		<i>Field Work Completed</i>	10	<i>No Assurance</i>	0			<i>Unsatisfactory</i>	0%		
		<i>Group Auditor Review</i>	20	<i>Not Assessed</i>	156			<i>No score</i>	0%		
		<i>Draft Report Issued</i>	45								
		<i>Response Received</i>	8								
		<i>Final Report Issued</i>	164								
		<i>Report Agreed</i>	1								
		<i>Follow-up complete</i>	3								
		<i>Audit Closed</i>	11								
		<i>Audit Cancelled</i>	39								
		<i>At Least to Draft on March 31st</i>	84%								
<i>Targets</i>		<i>Targets</i>		<i>No Targets</i>		<i>No Targets</i>		<i>Targets</i>		<i>No Targets</i>	
2012/13	100%	2012/13 - To Draft	95%					Min satisfactory and 39/65	100%		

Please note that for the purpose of producing information on performance against in-year targets, figures represent the position at the cut-off point of 31 March 2012. Work to complete the 2011/12 activity was undertaken after year-end.

Appendix B: SIAS COST CENTRE OUTTURN 2011/12

SIAS Cost Centre Out-turn 2011/12

	<u>£</u>
Salaries & Salary Related	1,032,212
Partner / consultancy costs	125,663
Non salary employee costs (excluding IAS19)	120,653
Transport	20,137
Supplies	33,249
Office Accommodation cost	<u>11,555</u>
Total expenditure	1,343,469
Less income from Districts, Police and HCC Trading Units	<u>(785,698)</u>
Net expenditure after trading income	557,771

Notes:

1. Figures exclude recharges (except for note 2 below), IAS19 and capital charges.
2. Office accommodation costs figure is represented by Admin Buildings Recharge.

Appendix C: DEFINITIONS OF ASSURANCE LEVELS AND PRIORITY OF RECOMMENDATIONS

Levels of assurance	
Full Assurance	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives. No weaknesses have been identified.
Substantial Assurance	Whilst there is a largely sound system of control, there are some minor weaknesses, which may put a limited number of the system objectives at risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some areas of weakness, which may put some of the system objectives at risk.
Limited Assurance	There are significant weaknesses in key control areas, which put the system objectives at risk.
No Assurance	Control is weak, leaving the system open to material error or abuse.

Priority of recommendations	
High	There is a fundamental weakness, which presents material risk to the objectives and requires urgent attention by management.
Medium	There is a significant weakness, whose impact or frequency presents a risk which needs to be addressed by management.
Merits Attention	There is no significant weakness, but the finding merits attention by management.

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Agenda Item 11

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 19 November 2012

PART A

AGENDA ITEM

11

Title: SHARED SERVICES REVIEW

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

1. **SUMMARY**

1.1 This report reviews the shared services against the original objectives of improvement in services, resilience and savings, and considers the lessons learnt.

2. **RECOMMENDATIONS**

2.1 That this report be noted.

Contact Officer:

For further information on this report please contact:

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

telephone number: 01923 776611

email: david.gardner@threerivers.gov.uk

Report approved by:

Bernard Clarke – Head of Strategic Finance – Watford B.C.

3. DETAILS

3.1 The Three Rivers Resources Policy and Scrutiny Committee has agreed to investigate, from a Three Rivers perspective, whether the original shared service objectives of resilience, improved services and savings have been achieved and the lessons learned. This report is presented to the Joint Committee for its input and information.

3.2 **Finance**

3.2.1 Improvement in Service

- Accountancy closed and reported the Financial Statements for 2011/12 in advance of the statutory timetable
- Internal Audit have adopted a new service model to provide consultancy and advice
- The Fraud section have exceeded performance targets and extended their service to investigate more types of fraud.

3.2.2 Resilience

- CIPFA benchmarking reports Accountancy Section as having:-
 - Lowest overall cost
 - Lowest staffing cost
 - Fewest staff
- Internal Audit with reduced resources achieved the Audit Plan and met requirements of Grant Thornton for the managed audit service

3.2.3 Savings

- Savings are now running at more than £250k *over and above* the Shared Services business case.

	2009/10	2010/11	2011/12	2012/13
	£000s	£000s	£000s	£000s
Detailed Business Case				
Combined Costs	2,156	2,156	2,156	2,156
Shared Services	1,748	1,748	1,748	1,748
Savings	408	408	408	408
Actuals / Budgets	1,698	1,611	1,533	1,496
Savings against Business Case	458	545	623	660
Additional Savings (+) / Reduced Savings (-)	50	137	215	252

3.3 **Human Resources**

3.3.1 Improvement in Service

- Accuracy rates with payroll increased to 99% and working relationship improved; self service modules introduced; increased fees from client plus tendering for further opportunities;

3.3.2 Resilience

- Harmonisation of specific terms and conditions although more to do; team working embedded with HR Business Partners working across both

Councils.

3.3.3 Savings

Savings have been achieved that are greater than estimated in the original detailed business case:-

	2009/10	2010/11	2011/12	2012/13
	£000s	£000s	£000s	£000s
Detailed Business Case				
Combined Costs	1,226	1,226	1,226	1,226
Shared Services	944	917	917	917
Savings	282	309	309	309
Actuals / Budgets	844	779	695	727
Savings against Business Case	382	447	531	499
Additional Savings (+) / Reduced Savings (-)	100	138	222	190

3.4 **ICT**

3.4.1 Improvement in Service

- Increased technical documentation and knowledge base within the department.

3.4.2 Resilience

- Infrastructure review and improvement plan leading to upgrade of much of the infrastructure at both councils providing increased stability and resilience of ICT Systems.

3.4.3 Savings

- The ICT service has fallen short of the savings estimated in the detailed business case, primarily through the increased costs of employing agency staff and obtaining external assurance of the outsourcing process (Actica).

	2009/10	2010/11	2011/12	2012/13
	£000s	£000s	£000s	£000s
Detailed Business Case				
Combined Costs	1874	1874	1874	1874
Shared Services	1741	1415	1415	1415
Savings	133	459	459	459
Actuals / Budgets	1796	1468	1470	1523
Savings against Business Case	78	406	404	351
Additional Savings (+) / Reduced Savings (-)	-55	-53	-55	-108

3.5 **Revenues & Benefits**

3.5.1 Improvement in Service

- Improved collection rates in Council Tax, Business Rates and Sundry Debts
- Harmonised operating platform leading to further improvements in access

channels, e.g. Self-Service

- More efficient processes for gathering information to support benefit claims, i.e. “triage”

3.5.2 Resilience

- Unified approach to service delivery. Workload is not allocated on authority basis but by demand.
- Greater flexibility of staff available to offer reception facilities at each site.

3.5.3 Savings

The additional costs incurred by the benefits service have been well documented. The service is spending more now than the original estimated combined costs of the two councils:-

	2009/10	2010/11	2011/12	2012/13
	£000s	£000s	£000s	£000s
Detailed Business Case				
Combined Costs	2,722	2,722	2,722	2,722
Shared Services	2,505	2,176	2,176	2,176
Savings	217	546	546	546
Actuals / Budgets	2,869	3,161	2,966	2,955
Savings against Business Case	-147	-439	-244	-233
Additional Savings (+) / Reduced Savings (-)	-364	-985	-790	-779

3.6 ***What lessons have we learnt?***

3.6.1 Nothing stands still

The Economy

Increased demand for benefits has significantly affected that service. The finance department has reacted well to the cost reduction exercise brought about by the government’s austerity measures, other shared services have struggled to cope.

3.6.2 Governance Arrangements

Members should review the Joint Committee arrangements and consider whether a lead authority model might be better. The governance arrangements have made it difficult to harmonise the terms and conditions of staff

3.6.3 Due Diligence

Some surprises

A better understanding of the respective ICT Infrastructures would have enabled the ICT service to start on a better footing.

3.6.4 Difficult to Expand

The shared services set out with the intention of combining with other authorities to increase resilience, improve services and achieve further savings. It has been difficult to find willing partners.

4. IMPLICATIONS

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 are no changes to the budget or the efficiency gains already agreed by the Joint Committee, Three Rivers District Council or Watford Borough Council as a result of this report.

4.2.2 The table below shows the combined impact of all four shared services. The saving to the two councils in the current financial year is £1.3m against the £1.6m estimated in the original detailed business case. This has to be considered in the light of:

- considerable increases in cost to meet addition demand for housing and council tax benefits
- the original detailed business case did not allow for inflation, and whilst pay awards have been pegged, employers pension costs have increased, and pay and grading arrangements have led to some salary drift. Contracts such as for payroll have inflationary increases in-built.

	2009/10	2010/11	2011/12	2012/13
	£000s	£000s	£000s	£000s
Detailed Business Case				
Combined Costs	7,978	7,978	7,978	7,978
Shared Services	6,938	6,256	6,256	6,256
Savings	1,040	1,722	1,722	1,722
Actuals / Budgets	7,207	7,019	6,664	6,701
Savings against Business Case	771	959	1,314	1,277
Additional Savings (+) / Reduced Savings (-)	-269	-763	-408	-445

4.3 Legal Issues (Monitoring Officer)

4.3.1 There are no legal issues associated with 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 (i.e. to note the report).

4.5 Equalities, Staffing, Accommodation, Community Safety, Sustainability & Environment, Communications & Website and Customer Services

4.5.1 None specific.

Appendices

None

Background Papers

No papers were used in the preparation of this report.

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