

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 17 December 2008

PART A

AGENDA ITEM

6

Title: DETAILED BUSINESS CASE, SERVICE AND FINANCIAL PLANNING

Report of: Director of Corporate Resources & Governance – Three Rivers

1. SUMMARY

- 1.1 This report allows consideration of draft service plans and the proposed budgets for shared services over the three year period 2009-2012. It also provides an update of the Detailed Business Case.

2. RECOMMENDATIONS

- 2.1 That the Committee reviews the draft service plans and make such amendments as it thinks fit.
- 2.2 That the Committee notes the budgets included in the service plans.
- 2.3 That the Committee reviews the Detailed Business Case and makes such amendments as it thinks fit.
- 2.4 That the Committee notes the changes to the financial business case.
- 2.5 That the two councils be informed of the changes required to fund shared services and be asked to confirm that funding.
- 2.6 That, subject to confirmation that funding will be made available, the Committee approves the draft service plans and the updated Detailed Business Case.

Contact Officer:

For further information on this report please contact:

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

telephone number: 01923 727200

email: david.gardner@threerivers.gov.uk

Report approved by:

Tricia Taylor – Executive Director – Watford B.C.

Janice Maule – Director of Finance – Watford B.C.

3. **DETAILED PROPOSAL**

3.1 At its meeting on 6 October the Joint Committee agreed the process for considering the Detailed Business Case, service plans and budgets.

3.2 ***Service Plans***

Four draft service plans have been prepared for the three year period 2009-2012 and are attached at Appendices 1 to 4. They represent 'work in progress' and contain:-

- Key Purpose of the Service
 - Scope of the Service
 - Contribution to Shared Services Objectives
 - Contribution to the Councils' Strategic Objectives
 - Three Year Overview of the Service
- Inputs
 - People
 - Workforce Planning
 - Assets & Technology
 - Shared Services Operating Budgets and Recharges (To follow)
 - Implementation Costs (To follow)
- Outputs & Outcomes
 - Stakeholder Consultation
 - Service Level Agreements
 - Performance Indicators
 - Benchmarking Information
 - Outstanding Recommendations of External Inspectors
 - Projects
 - Equalities
 - Risk Management

The Committee is asked to review the plans and make such amendments as it thinks fit.

3.2 ***Detailed Business Case***

The Detailed Business Case has been updated and contains:

- Introduction
- Shared Services Operating Model
- Business Benefits
- Managing the Impact on Staff
- Implementation
- Financial Business Case (To follow)
- Next Steps
- Appendices

It is attached at Appendix 5.

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.

4.1.2 It is the councils' and Joint Committee's policy to achieve savings and improve service quality and resilience through sharing services.

4.2 Financial

4.2.1 There *are* proposed changes to the budgets. The councils' indicated to the Joint Committee on 6 October 2008 the funding likely to be available to the shared services for the next three financial years and indicated that they have a clear expectation that the implementation costs will not be exceeded and that the on-going savings will be achieved. The figures supplied were:-

Total	Current Year 2008/09 £000s	2009/10 £000s	2010/11 £000s	Future Years per Annum £000s
Implementation Costs				
Capital Expenditure	499	154	0	0
Revenue Expenditure	1,498	892	20	0
Sub-Total	1,997	1,046	20	0
On-Going Revenue Savings(-)	-29	-948	-1,630	-1,630
Total	1,968	98	-1,610	-1,630

4.2.2 It was acknowledged however that as a result of delays in implementation, both the implementation costs and the on-going savings will materialise later than anticipated in the budgets agreed by the two councils.

4.2.3 At the time of writing, a budget forecast for the shared services in respect of the next three financial years is being prepared by reference to the resources identified within the service plans and the requirements set out in the detailed business case. The updated position will be circulated as soon as possible.

4.2.4 The budgets are being prepared using spot salaries and not the pay and gradings determined by job evaluation and pay modelling. (See earlier report on this agenda).

4.2.5 The Joint Committee is required, as soon as practicable, but in any event no later than 10th January of each year, to submit to each Council its funding requirements. If either council disagrees with the amount of their contribution then it may pursue the dispute resolution procedure or terminate their involvement in the Joint Committee as set out in the Delegation and Joint Committee Agreement.

4.3 Legal Issues (Monitoring Officer)

4.3.1 The councils must set their budgets before 11 March 2009 in accordance with Section 32 (10) of the Local Government Finance Act 1992.

4.3.2 The councils' chief financial officers have a statutory duty to report to their Council if it is likely to incur expenditure that is unlawful or likely to exceed its resources.

4.3.3 The Joint Committee should note that Watford Borough Council's Constitution requires the Executive to put budget proposals to Council before 8th February as

it is a mayoral authority.

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.

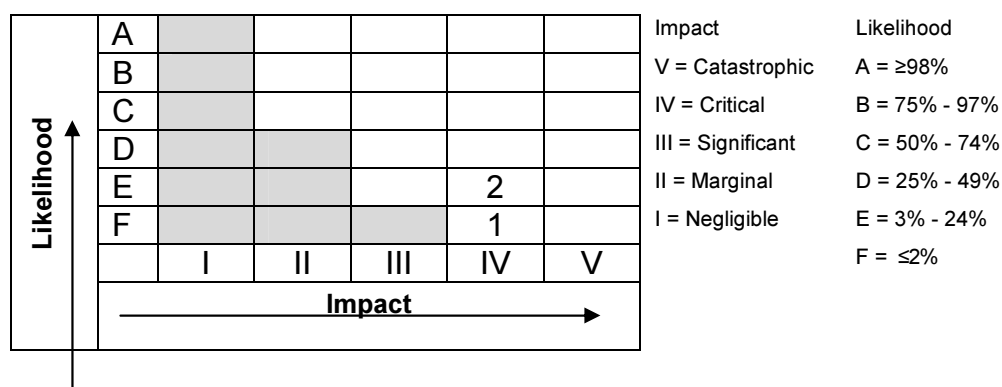
4.4.2 The following table gives the risks if the recommendations are agreed, together with a scored assessment of their impact and likelihood.

Description of Risk		Impact	Likelihood
1	That the required funding is not made available	IV	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	Failure to agree the Service Plans for implementation from 1 April 2009 and failure to meet statutory deadline for setting a legal budget	IV	E

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 Included in service plans as appropriate.

Appendices

- 1 Human Resources Service Plan 2009-2012
- 2 ICT Service Plan 2009-2012
- 3 Revenues & Benefits Service Plan 2009-2012
- 4 Finance Service Plan 2009-2012
- 5 Detailed Business Case – Version 0.6 – 9 December 2008.

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.

Delegation and Joint Committee Agreement