

THREE RIVERS DISTRICT COUNCIL AND WATFORD BOROUGH COUNCIL

At a meeting of the **Joint Shared Services Committee** held in the Penn Chamber, Three Rivers House, Rickmansworth, on Monday 7 March 2011 7.30pm to 9.31pm.

Present: Councillors Brian White (Chairman), Andy Wylie (Vice-Chairman), Matthew Bedford, George Derbyshire, Stephen Johnson and Ralph Sangster.

Officers: David Gardner - Director of Corporate Resources and Governance
Tricia Taylor - Executive Director Resources
Terry Baldwin - Head of HR
Avni Patel - Head of ICT
Phil Adlard - Head of Revenue and Benefits
Alan Power - Head of Finance
Sarah Haythorpe - Principal Committee Manager

JSS35/10 DISCLOSURES OF INTEREST

None.

JSS36/10 MINUTES

The Minutes of the meetings of the Joint Shared Services Committee held on 10 January 2011 were confirmed as a correct record and were signed by the Chairman.

JSS37/10 NOTICE OF OTHER BUSINESS

The Chairman ruled that the following report which had not been available for five clear days before the meeting was of sufficient urgency to be considered by the Committee for the reason indicated:

Items 5 – Performance Management 2010/11 – Addendum on Internal Audit

To enable ongoing financial control.

JSS38/10 PERFORMANCE MANAGEMENT 2010/11

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

Finance

The Head of Finance reported that all the bank reconciliations and journal entries had been completed. Members received and noted the latest performance indicators and details on the bank reconciliations.

Human Resources

The Head of HR advised that the next quarterly performance indicators would be available at the end of March. At the last meeting it was reported that one part-time employee faced compulsory redundancy at Three Rivers but that employee

had now been redeployed within the Council so there would be no compulsory redundancies at Three Rivers.

There were 20 potential redundancies at Watford and consideration was being given to backfill any vacancies to offset the need for compulsory redundancy.

ICT

The Head of ICT advised that a report would be prepared on the Infrastructure Review project on the harmonisation of software applications to include options for the Uniform/IDOX system. Contact had been made with the supplier and the Council were awaiting proposals. The report would also include the capital implications for 2011/12 onwards. The outcome and conclusions of the independent ICT review would be reported to the next meeting of the Joint Committee.

On CRM alignment, work was planned to replace the system in the next financial year with consideration being given to LAGAN (Watford's CRM system).

With regard to the restructuring of the ICT team, a paper had been presented to both management teams. There were 5 vacancies within the team which had been offered to Watford to staff, facing compulsory redundancy, but no interest had been shown. The posts would be advertised in the next week.

With regard to the servers which needed replacing (there were currently approximately 70 at Watford and 35 at Three Rivers) Members requested that consideration be given to consolidate the servers and put together a replacement programme. Members noted there was an ongoing cost in the budget each year to replace the servers. The Head of Service reported that this would be an ongoing requirement because the new servers came with a 3 year warranty as standard but servers could start developing faults after this time.

Members advised they had been experiencing problems accessing the Shared Services Intranet, Council emails and systems and requested that an update be provided at the next meeting.

Revenue and Benefits

Members were updated on progress with the outstanding caseload in Revenue and Benefits staffing and the request to further compare the service to other Local Authorities in terms of cost per claim.

At the January meeting the Committee were advised about the investigations into the option of Meritec dealing with outstanding caseloads. Since the meeting, the Council had been approached by the company that provided the existing agency staff with a proposal that if they were to revise their rates this would make them a more viable proposition. Meritec had quoted £22 per hour and the existing agency had reduced their rate from £29 to £23 per hour. In January five agency staff had been working on benefit assessing but since then one had left and two had applied for permanent vacancies. A decision had been made to retain two existing agency staff until the end of March.

As of 28 February the number of outstanding claims for each authority was as follows:

Watford - 270 of these 122 were pending and waiting on a response and 186 were less than 28 days old.

Three Rivers - 204 of these 70 were pending and waiting on a response and 129 were less than 28 days old.

As of 25 February 2011, Watford had 7,329 claimants (11,964 gross), an increase of 2.38% over the following month. 263 new claims had been received in January and 254 in February.

Three Rivers had seen a smaller increase of 0.81% over the same period with 107 new claims received in January and 161 in February.

At the request of the Committee, an assessment had been undertaken of the cost per claim of the shared service and a comparison undertaken against other authorities. The sample was based on the benchmarking survey referred to at the January meeting. Data provided to a national benchmarking group had been obtained from ten other Local Authorities with a caseload of between 10,000 and 14,000. The combined caseload of the shared service was 12,009 (as at 01/04/10).

Using this formula, the 12,000 caseload equated to a weighted caseload of 28,530. Based on a gross cost of the service of £1,685,000, the cost per claim of the shared service was £59.06. The average of the benchmarking group was £59.10.

Based on information provided by Finance, an assessor on the mid-point of Scale 6 would have a gross salary of £35,211 which equated to an hourly rate of £18.25. This was lower than either of the agency staff rates (before and after renegotiation) and the cost quoted by Meritec.

There had been greater control over the management of work trays and this had already seen a reduction in NI181 from 36.54 (Dec – Jan) to 27.98 (Jan – Feb) for TRDC and 35.72 to 29.19 for WBC.

Full use of the agency staff during March would continue with the aim of greatly reducing the number of claims greater than 28 days.

Collection of both Council Tax and Business Rate continued to struggle in spite of active recovery. The team were regularly issuing summonses for non-payment as well as frequent statutory reminders. The collection rates against target at the end of February were:

Watford Council Tax 92.8% (target 94.8%)
Watford Business Rate 95.7% (target 99.6%)

Three Rivers Council Tax 96.8% (quarter target at December 86.9%)
Three Rivers Business Rate 97.6% (target 99.6%)

To assist with recovery, a blitz of council tax correspondence was being completed. As at 27 February, there were 897 items outstanding, the lowest since 10 August (which coincided with when reminders stated to be sent).

The collection of general debtors for both authorities was ahead of target as at 28 February.

The development days had been well received with good suggestions coming forward. Progress was now being achieved through the Team Leaders on the management of work. Agreement had also been made with the Customer Service Centre at Watford to deal with benefit enquiries.

Members welcomed the news that the backlog in processing benefits claims was now reducing but they hoped that pressure would be kept up to reach the performance targets Three Rivers had before shared services.

The local trend was that both Councils were receiving more claims but from April there would be changes in working styles to be more flexible to deal with claims but resources would be contained within the budgetary requirements.

Members were advised that decisions would be made and measures taken so workloads did not get out of hand. It was requested that expenditure figures on the cost of each benefit claim processed be compared with other similar sized Authorities in Hertfordshire/South East.

An Addendum on the Shared Services Internal Audit Manager who would be retiring on 31 March 2011 was tabled at the meeting. A number of options were put forward to the Committee which included:

- that the two Councils' Audit Committees be asked to agree their requirement for audit days based on need;
- that one of the existing staff be appointed to act up as manager in the short term;
- that talks continue with Wycombe Council and Aylesbury Vale District Council to produce a business case for the four councils with flexibility to include further authorities if the case warrants it to be presented at the next meeting; and
- that options 2 and 3 be kept 'open' at this stage.

A number of questions were raised by the Committee:

Could the 475 audit days be substantiated?

Did we need another Member of the audit team to act up as Audit Manager?

It was advised that the Head of Finance who oversees the Internal audit team would be concentrating on IFRS and the closing of the accounts for both Councils so it would be beneficial to have a member of the team acting as the Manager on an interim basis. The County Council option to manage Internal Audit could not be considered until later in 2011/12. Outsourcing the internal audit service would involve a tendering process. Talks were progressing with Wycombe and Aylesbury Vale Councils with details available later in the year.

Members received the audit plan for 2010/11 which showed a total of 635 audit days. The interim audit plan for 2011/12 showed 475 audit days which equated to 35 contractor days and 440 by the internal audit team who had 535 productive days available.

Members agreed that both the Councils' Audit Committees should sign off their audit plan.

RESOLVED:-

- (1) that the report be noted.
- (2) that a report be presented at the next meeting with further information on the Infrastructure Review and capital implications for 2011/12 onwards

for harmonisation of systems supported by ICT. If the report would not be available for the next meeting the Committee to be advised in advance of the meeting.

- (3) that an update be provided at the next meeting on access to the Shared Services Intranet, Emails and Council systems.
- (4) that expenditure figures on the cost of each benefit claim processed be compared with other similar sized Authorities in Hertfordshire/South East;
- (5) that the two Councils' Audit Committees be asked to agree their requirement for audit days based on need;
- (6) that one of the existing staff be appointed to act up as manager in the short term;
- (6) that talks continue with Wycombe Council and Aylesbury Vale District Council to produce a business case for the four councils with flexibility to include further authorities if the case warrants it to be presented at the next meeting; and
- (7) that options 2 and 3 be kept 'open' at this stage.

JSS39/10 SERVICE PLANS

This report sought agreement to the service plans for the medium term and followed the format used last year. The Performance Indicators would be provided separately at each Committee meeting. The service plans included details on the key challenges each service faced next year.

Finance

The Head of Finance advised the service had undertaken a cost reduction exercise making significant reductions in their budget. The Finance team would continue to face the challenges in the coming year to reduce budgets and implement efficiencies.

Work would be progressed over the next year to review Service Level Agreements (SLAs) which had been implemented two years ago.

On workforce planning, there had been success in recruiting new people to the team. The next big challenges would be the closing of accounts and satisfactory audit clearance.

The collection fund would be incorporated in the Finance service.

Human Resources

The Head of HR advised that the Health and Safety service was now being provided by Herts County Council two days a week with one day at Watford and one day at Three Rivers at a cost of £24,000 a year.

Looking into the future of the Human Resources service work was progressing to sell the HR service externally. A business case was being prepared for another Council to use the HR services and an approach had been made to manage a Parish Council. On the harmonisation of both Councils' terms and conditions from 1 April 2012, proposals would be presented to staff in the next few weeks but there had been concerns at Watford on dress code and annual leave. A

feasibility study would be provided at the end of month to the management team at Three Rivers on NJC job evaluation.

ICT

The Head of ICT advised that the restructure of ICT was complete with improvements being made to first point of contact and call resolutions. A bench marking exercise would be undertaken in May with details available in September.

Staff training would be provided to ensure best practice was being observed to deliver the ICT services.

ICT's SLA's would to be revisited with departments during the next financial year.

Members requested that a mechanism for prioritising and delivering the ICT Projects be prepared with a report presented at the next meeting.

Revenue and Benefits

The Head of Revenue and Benefits highlighted details in the service plan on the future of services, risks and benchmarking against other local authorities in Hertfordshire. The Government had indicated that a new universal credit system could be implemented in October 2013.

RESOLVED:-

- (1) that the ICT budget for staff development be carried over into 2011/12 budget;
- (2) that a mechanism for prioritising and delivering the ICT Projects be prepared with a report presented at the next meeting;

JSS40/10 DATE OF NEXT MEETING

The next meeting would be held on Monday 13 June at Three Rivers House.

RESOLVED:

that the date be noted.

CHAIRMAN