

**FINANCE & RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE AGENDA**

TUESDAY 04 SEPTEMBER 2012 AT 7.30 PM

BULBOURNE ROOM, CIVIC CENTRE, HEMEL HEMPSTEAD

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Adeleke	Organ
Ayling	Sutton (Chairman)
Clark	Taylor
Collins	Townsend (Vice-Chairman)
Doole	White
Marshall	W Wyatt-Lowe

(Substitute Members: Councillors Anderson, Elliot, Flint, Harris and McKay)

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Item No.	Part 1	Page
1	Minutes	2
2	Apologies for Absence	2
3	Declarations of Interest	2
4	Public Participation	2
5	Consideration of any matter referred to the Committee in relation to Call-in	2
6	Quarter 1 Performance Reports	3
7	Quarter 1 Financial Outturn Report 2012/2013	22
8	Quarter 1 Risk Management Report 2012/2013	32
9	Shared and Outsourced Update	40
10	Exclusion of Public	43
Appendix A	Work Programme 2012/13	44

MINUTES

To confirm the minutes of the meeting held on 03 July 2012.

2. APOLOGIES FOR ABSENCE

To receive any apologies for absence

3. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter, who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw to the public seating area.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests or the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interest are defined in Part 2 of the Members' Code of Conduct.

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements or ask questions in accordance with the rules as to public participation

5. CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN

AGENDA ITEM: 6

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	12 June 2012
PART:	1

Title of report:	Quarter 1 Performance Report – Legal Governance and Democratic Services
Contact:	<p>Cllr Neil Harden, Portfolio Holder for Residents and Regulatory Services (in respect of Legal Governance) Cllr Andrew Williams, Leader of the Council (in respect of Democratic Services)</p> <p>Author/Responsible Officers:</p> <p>Steven Baker, Assistant Director (Legal, Democratic & Regulatory) Mark Brookes, Group Manager (Legal Governance) Jim Doyle, Group Manager (Democratic Services)</p>
Purpose of report:	To provide Members with the performance report for quarter 1 in respect of Legal Governance and Democratic Services.
Recommendations	That Members note the report.
Corporate objectives:	Resources and Value For Money; Optimise Resources and Implement Best Practice.
Implications:	<u>Financial</u>
	None.
'Value For Money Implications'	<u>Value for Money</u> Monitoring Performance supports the Council in achieving Value for Money for its citizens.
Risk Implications	Risk Assessment completed for each service area as part of service planning and reviewed quarterly.
Equalities	Equality Impact Assessment completed for each service area

Implications	as part of service planning and reviewed quarterly.
Health And Safety Implications	None
Consultees:	Cllr Neil Harden, Portfolio Holder for Residents and Regulatory Services
Background papers:	Annex 1 : Quarter 1, Performance Report Annex 2: Quarter 1, Operational Risk Report

1. Members will find attached to this report the performance data for Legal Governance and Democratic Services in relation to the first quarter of 2012/13. Members will also find attached, for the first time, the Operational Risk Report for the same period. Generally speaking the data does not reveal any major issues for concern.

Democratic Services

2. During quarter 1, Democratic Services successfully delivered two by-elections for the Woodhall Farm ward and Hemel Hempstead Town Division. Preparations for the Police and Crime Commissioner elections are going well with the election to be held on 15th November. A verbal update on the preparation for this election will be given at the meeting.

Legal Governance

3. One of the service objectives for 2012/13 is to maintain its Lexcel accreditation which was achieved in 2011/2012. The annual review by the Law Society assessor will take place on 9th October.
4. In July the Council joined the Public Law Partnership (PLP). The PLP has 27 partner authorities spread across Essex, Suffolk and Hertfordshire. The PLP is not a separate legal entity and therefore each partner authority retains its own autonomy. However, the PLP has created opportunities for greater joint working and an internal market for the provision of legal services to each other which provides resilience, but also the opportunity to generate income and/or make savings. There is a Management Board which meets monthly, and is currently developing the future plans for the partnership. These plans include –
 - development of an income-generation and marketing strategy
 - creating centres of excellence
 - standardisation of practice
 - joint advocacy unit
 - aligned Lexcel accreditation
 - joint training plan
5. The PLP has recently launched its own website which is linked to all the partner authority sites. If members are interested to hear more information about the PLP, and the potential benefits for Dacorum, this can be provided verbally at the meeting. The PLP website can be found at www.publicpartnership.co.uk.

6. Legal Governance is heavily involved in many of the Council's critical projects. In particular, significant legal support is being provided in relation to the Public Service Quarter project and the strategic procurement of Housing Maintenance. These major projects will inevitably give rise to capacity issues for the in-house team, but contingency arrangements are being put in place to bring in external legal support as and when required. In addition, membership of the PLP should also help to ensure that the delivery of legal services is not adversely affected.

Annex 1

Annex 2

AGENDA ITEM: 6

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	20 March 2012
PART:	1
If Part II, reason:	

Title of report:	Quarter 1 2012-13 Performance Report
Contact:	Cllr Neil Harden, Portfolio Holder for Residents and regulatory Services Author/Responsible Officers: Janice Milsom – AD Strategy, Transformation, Community and Organisation David Gill – Group Manager (Partnerships, Policy and Citizen Insight)
Purpose of report:	1. To provide Members with the Quarter 1 information, 2012-13, for the Directorate.
Recommendations	1. That Members note the performance for Quarter 1 2012-13.
Corporate objectives:	Dacorum Delivers – Performance Excellence.
Implications:	<u>Financial</u> None.
Value For Money Implications	<u>Value for Money</u> Monitoring performance supports the Council in achieving Value for Money for its citizens.
Risk Implications	A Risk Assessment is completed for each service area as part of the annual service planning process and is reviewed quarterly.
Equalities Implications	An Equality Impact Assessment is completed for each service area as part of the annual service planning process and is reviewed quarterly.
Health And Safety Implications	None
Consultees:	Cllr Neil Harden – Portfolio Holder for Residents and Regulatory Services CMT

Background papers:	Attached: 1. Quarter 1 Performance Indicators report 2. Quarter 1 Operational Risk report
Glossary of acronyms and any other abbreviations used in this report:	CMT – Corporate Management Team CSU – Customer Service Unit CSC – Customer Service Centre ICT – Information, Communications and Technology HR – Human Resources

1 Introduction

Performance reports are produced quarterly from the Council's performance management system, CorVu. The service performance report for Quarter 1 (April to June 2012), shows a summary of the performance information available for this part of the Performance, Improvement and Transformation directorate. Full reports are available on the CorVu Portal, on the Council's Intranet. It should be noted that the Quarter 1 data relates to the position as at 30th June 2012.

2 Performance Indicators:

Within the range of indicators collected all service areas are within tolerance levels this quarter.

3 Service information

The teams have completed service plans for 2012-13 and a selection of information is highlighted below:

3.1 Customer Service Unit

- Preparation for the market test of the Customer Services Centre and Gateway contract has been a key task this quarter and continues until the ITT document is released on 31st August.
- A CSU apprentice role in administration has been introduced to the service.
- Developing corporate induction training to include Customer Service, so that all new members of staff are aware of the range of services that are delivered.
- Housing Advice is to have a desk in the CSC for a Designated Officer to act as a referral point for customers.
- The service is planning for the impact of the Localisation of Council Tax.
- A review of Telephony services has been undertaken and an improvement project is in place.

3.2 Communications and Consultation

- Spotlight on Dacorum is now live on the website and will be updated as new data becomes available.
- The team has supported the production of the Street Champions directory/handbook.
- Plans are underway for the annual 'Listening Events' in town centres in September.

3.3 Performance, Improvement and Transformation Team

The team has been actively and successfully supporting a number of key corporate projects, including, the development of project plans for the new Public Service Quarter and the roll out of the flexible and remote working pilot in Revenues and Benefits, including the organising of training for staff taking part.

3.4 ICT

- The ICT improvement programme continues to deliver improvements and has successfully supported the flexible and remote working pilot in Revenues and benefits.
- Interviews with Group Managers across the Council have shown a significant increase in the rating given to ICT services.
- Good progress is being made with the roll-out of new PC & Laptop hardware throughout the building. This desktop refresh is intended to replace all NEC PCs with new Dell equipment.

3.5 Human Resources

The HR team continues to support a wide range of corporate projects and has had a significant input into the Customer Services market test. Also the service has been heavily involved in the flexible and remote working pilots – developing policies with staff and union input, to ensure that all staff are correctly supported to trial these new ways of working for the Council.

4 Operational Risk Register

This is attached for information.

Annex 1

Annex 1

Annex 1

Annex 2

Annex 2

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Annex 2

AGENDA ITEM: 7

SUMMARY

Report for:	Finance and Resources Overview and Scrutiny Committee
Date of meeting:	12 June 2012
PART:	1
If Part II, reason:	

Title of report:	Quarter 1 Financial Outturn Report 2012/13
Contact:	Clr Nicholas Tiley, Portfolio Holder Finance & Resources Sally Marshall, Corporate Director (Finance & Governance) Author: James Deane, Group Manager (Financial Services)
Purpose of report:	To provide details of the forecast outturn position as at Quarter 1
Recommendations	That Committee note the forecast outturn position
Consultees:	Budget managers
Glossary of acronyms and any other abbreviations used in this report:	OSC – Overview and Scrutiny Committee F&R – Finance & Resources SPE – Strategic planning & Environment H&C – Housing & Communities GF – General Fund HRA – Housing Revenue Account LGPS – Local Government Pension Scheme CSSG – Capital Strategy and Steering Group DCLG – Department of Communities and Local Government PWLB – Public Works Loan Board

1. Introduction

- 1.1 The purpose of this report is to update the Finance and Resources (F&R) Overview and Scrutiny Committee (OSC) on the Council's forecast outturn for 2012/13 as at 30 June 2012. The report covers the following budgets:
- General Fund
 - Housing Revenue Account (HRA)
 - Capital Programme
- 1.2 Analysis throughout this report is based on the variance between forecast outturn and the budget approved by Full Council in February 2012.

2. General Fund Revenue Account

- 2.1 The General Fund (GF) revenue account records the income and expenditure associated with all Council functions except management of the Council's own housing stock, which is accounted for within the Housing Revenue Account (HRA) (see Section 5).
- 2.2 Appendix A shows that General Fund Service Expenditure is forecast to exceed budget by £13k at year-end (0.06% over budget). However, this is more than offset by a forecast £48k (9.6%) over-achievement of budgeted Interest Receipts. The net impact of these variances is shown in Appendix A as a reduced requirement of £35k to be drawn from working balances.
- 2.3 Appendix A separates expenditure into controllable and non-controllable categories in order to focus scrutiny on those areas where Officers are able to influence the outturn position, i.e. the controllable.
- 2.4 The majority of non-controllable costs result from year-end accounting adjustments, e.g. depreciation charges, which are required to show the true value of resources used to provide the Council's services, but which do not result in a cash charge to taxpayers. As these costs will not be known until year-end, the forecast outturn for all areas is shown as on budget.
- 2.5 The following sections provide an analysis by Scrutiny area of the forecast controllable budget variances contributing to the forecast General Fund Service Expenditure variance of £13k.

3. Finance & Resources

3.1 The table below shows the provisional outturn position for the F&R OSC by type of expenditure/income:

	Controllable Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Finance & Resources			
Employees	11,747	11,346	(401)
Premises	1,896	2,336	440
Transport	48	51	3
Supplies & Services	4,857	4,904	47
Third-Parties	264	264	0
Transfer Payments	56,788	56,788	0
Income	(63,676)	(63,736)	(60)
	11,924	11,953	29

3.2 The forecast outturn position for F&R is £30k (0.25%) over budget.

3.3 Material variances within each category of expenditure are explained below.

Employees – £401k under budget (3.4%)

- £371k underspend in Facilities Management following the outsourcing of this service to Serco. This underspend is offset by part of the £440k overspend against the Premises budget, and reflects the fact that the cost of these employees is now met through the service payments to Serco. A virement will be passed to correct the budget allocation.
- £208k overspend in ICT arising from the recently extended contracts (until December) for the interim ICT manager and an IT consultant working on the Flexible Working project.
- £100k underspend within Financial Management. £70k arises from vacancies within the Transactional Finance team (including the Team Leader post), which are being carried pending review of the resource impact of the implementation of Government Procurement Cards. The remaining £30k arises from reduced hours following return from maternity leave, and employees opting out of the Local Govt Pension Scheme (LGPS).
- £60k net underspend within Revenues and Benefits. £40k relating to maternity leave, £35k relating to newly vacant posts, and £18k relating to employees opting out of the LGPS. This is partly offset by £35k expenditure on overtime to address the backlog of benefits. There is scope for the forecast underspend to be eradicated before year end as the Group Manager seeks authorisation to appoint 5 apprentices.
- £57k underspend in Customer Service Unit (CSU). This is primarily due to 3 vacancies currently being carried, and 13 employees (from a team of 43) opting not to join the

LGPS. This forecast underspend is likely to reduce following a recent CSU recruitment campaign and a request for 4 apprentices to be funded through underspends.

Premises – £440k over budget (9%)

- £426k overspend in Facilities Management. This offsets the underspend within Employees, described above, and reflects the outsourcing of the function to Serco. A virement will be passed to transfer the relevant budget from Employees to Premises.

Supplies and Services – £47k over budget (1%)

- £77k overspend within Revenues and Benefits for the purchase of IT licenses. This cost could be capitalised (thereby removing this revenue overspend) following consideration by Capital Strategy Steering Group (CSSG). However, until approval has been granted it remains as a pressure within the revenue budget.
- £31k overspend within PIT following the recruitment of a consultant to lead on the market testing element of the CSU review.
- £52k underspend within Facilities Management, partially offsetting the above overspends. This relates to the Serco contract, and a virement will be passed to transfer budget out of the Supplies and Services category that will now be part of the contract payment to Serco within the Premises category.

Income – £60k over achievement (0.1%)

- £47k relates to rental income following backdated rent reviews.

4. Strategic Planning & Environment

4.1 The table below shows the provisional outturn position for the SPE OSC by type of expenditure/income:

	Controllable Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Strategic Planning & Environment			
Employees	8,089	8,114	25
Premises	844	861	17
Transport	1,537	1,492	(45)
Supplies & Services	5,918	5,892	(26)
Third-Parties	64	64	0
Income	(9,927)	(9,907)	20
	6,525	6,516	(9)

4.2 The forecast outturn position for SPE is £9k (0.14%) under budget.

4.3 Material variances within each category of expenditure are explained below.

Employees – £25k over budget (0.3%)

- £80k overspend within Spatial Planning relating to two posts funded through the Local Development Framework (LDF) reserve. These costs will be offset once the reserve is released later in the financial year, subject to approval of a supplementary estimate later in the year.
- £15k overspend within Building Control incurred through the use of agency staff to cover permanent vacancies. Legislation requires that the majority of costs associated with the Council’s Building Control function are recouped through the service’s fees. This should see employee costs within BC break even over a three-year business cycle.
- £40k underspend in Clean Safe and Green partially offsetting the above. This arises from a vacant supervisor post scheduled to be filled in August (£15K), and two new starters employed at lower spinal points and without the contracted overtime originally budgeted.

Transport - £45k under budget (2.9%)

- £45k within Environmental Services due to fuel prices currently tracking below the anticipated inflation rates assumed in the budget.

5. Housing & Communities

5.1 The table below shows the provisional outturn position for the General Fund (GF) element of the H&C OSC by type of expenditure/income:

	Controllable Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Housing & Communities			
Employees	3,122	3,136	14
Premises	356	358	2
Transport	57	61	4
Supplies & Services	2,404	2,427	23
Third Parties	24	24	0
Transfer Payments	5	6	1
Income	(3,980)	(4,031)	(51)
	1,988	1,981	(7)

5.2 The forecast outturn position for H&C is £7k (0.35%) under budget.

5.3 Material variances within each category of expenditure are explained below.

Supplies & Services - £23k over budget (1%)

- £22k overspend in Community Cohesion relating to Olympics and Diamond Jubilee.

Income

- £50k over achievement within Anti-social Behaviour and Neighbourhood Action team due to additional grant funding secured, including £30k from HCC and £10k from Herts. Constabulary towards Community Safety Coordinator role.

Housing Revenue Account (HRA)

5.4 The HRA is a ringfenced account relating to the Council's Landlord functions, which falls within the H&C Scrutiny area. A guiding principle of the HRA is that revenue raised from rents and service charges must be sufficient to fund expenditure incurred. The forecast outturn position for the HRA is shown at Appendix B.

5.5 The HRA balance at the end of 2012/13 is forecast to be £8.732m, which is £6.359m higher than the anticipated closing balance when the budget was set by Council in February 2012.

5.6 £816k of the £6.359m favourable variance results from a higher opening balance at the start of 2012/13 (resulting from a net underspend within 2011/12) than had been forecast at the time the budget was set.

5.7 Significant variances contributing to the remaining £5.543m variance are:

Revenue Contribution to Capital - £1.196m (30.3%) underspend

- The Revenue Contribution to Capital reflects that element of revenue surplus which is required to 'top up' capital funds so that investment plans are adequately financed.

Around £1m of this variance arises because the actual 2012/13 opening balance on the Major Repairs Reserve (which is the first source of capital financing) was £1m higher than anticipated at the time the budget was set. This means that £1m less 'top up' is required from revenue surpluses.

The remaining variance is due to minor changes to the HRA investment plans which reduced the in-year costs and meant that a lower revenue 'top up' was required.

Interest Payable - £4.317m (27%) underspend

- This relates to the interest payable on the loan of £354m taken to finance the payment to Department for Communities and Local Government (DCLG) for the transition to Self Financing. The interest rates of the loans taken from the Public Works Loan Board (PWLb) could not be finalised until 26 March 2012, after the budget had been set. Therefore, for budgeting purposes a prudent view of the likely rates was taken, and the budget was set to reflect an assumed flat rate of 4.5%.

On the date the loans were booked, the Council was able to secure an average interest rate of 3.3%. The difference between the forecast rate and the actual rate resulted in a saving on the interest payable of £4.317m for 2012/13.

5.8 The £4.317m underspend arising from the lower interest rates was reported to Cabinet at its meeting of 27 March 2012, as soon as the rates were finalised by PWLB. Cabinet resolved to review the performance of the business plan throughout 2012/13 before considering how best to invest this additional capacity. A report will follow later in the current financial year.

6. Capital Expenditure

6.1 The capital programme was developed during budget-setting 2012/13 and presented to Cabinet on 7 February 2012 for approval by Council on 29 February. During budget-setting the programme was reviewed, as required by the Capital Strategy, to identify projects that were no longer required, and to reschedule projects to ensure that expenditure is planned for the appropriate year.

6.2 As part of this exercise it was evident that further reprofiling would be valuable for two reasons:

- to provide a better fit between the period in which expenditure in the programme was likely to fall and the financial year in which the related projects were due to be undertaken, thereby reducing short term slippage on the programme
- to improve cashflow reporting and enable funds currently held available to fund capital projects to be moved to longer term investments where it is clear that the funds would not be required in the short term

6.3 The capital programme, in Appendix C, shows the revised budget resulting from this exercise, (approved by Cabinet in June 2012), which reflects £8.7m having been rescheduled from 2012/13 to subsequent years.

6.4 As at 30 June 2012, the forecast capital outturn remains on budget with the exception of the following:

Strategic Acquisitions – line 41 on Appendix C

The revised budget of £700k was included within the GF capital programme to fund the purchase of a specific building. This purchase has not yet been made, but an additional £700k has been committed to the purchase of two further properties.

These properties have been assembled within the GF, with a view to appropriating them to the HRA to provide land for planned new build projects. On this basis the GF forecast remains on target (once the reimbursement of funds has come from the HRA), with a £700k pressure on the HRA.

The necessary approvals for appropriation to the HRA will be sought through CSSG and Cabinet, and will recommend that the HRA finances the appropriation through revenue surplus or use of its remaining capital funds.

Hemel Gym refurbishment – line 74 on Appendix C

Around £600k on this project is now expected to slip into 2013/14 due to delays in the procurement process.

Appendix A

**Appendix
B**

**Appendix
C**

AGENDA ITEM: 8

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	12 June 2012
PART:	1
If Part II, reason:	

Title of report:	Quarter 1 Risk Management Report 2012/2013
Contact:	Councillor Nick Tiley Portfolio Holder for Finance Resources Sally Marshall, Director Finance & Corporate Services Linda Dargue, Insurance & Risk Manager
Purpose of report:	(1) To provide the Q1 report on the Strategic Risk Register (2) To provide the Q1 report on the Operational Risk Registers
Recommendations	1. That the content of the report is noted and recommended to Cabinet for approval together with any associated comments.
Corporate objectives:	Dacorum Delivers – Risk management is an essential part of ensuring that the Council meets all of its objectives
Implications:	<u>Financial</u> None identified.
'Value For Money Implications'	<u>Value for Money</u> Risk management is closely linked to the Council's commitment to ensure that all resources are used efficiently and forms part of effective financial planning. The Council also needs to ensure that adequate provisions are in place to address anticipated risks but that these are no greater than necessary so that maximum resources are applied to services as required. To this end the Council sets minimum target working balances for both the general fund and HRA and at the date of this report this minimum balances are secured. Budget exercises for 2011/12 have ensured that the minimum balance requirements will also be met for the next financial year.
Risk Implications	Effective risk management is an important factor in all policymaking, planning and decision making. Failure to manage risk effectively could have serious consequences for the Council leading to increased costs, wasted resources, prosecution and criticism under external assessments
Equalities Implications	Not applicable

Health And Safety Implications	Not applicable
Consultees:	CMT
Background papers:	Risk Management working paper files Report to CMT 21 August 2012

BACKGROUND

1. The revised Strategic Risk register showing the position at the end of Q1 is attached at Appendix A for ease of reference. The table below shows the changes in risk scores from quarter 4 2011/12.

Risk	Q4 11/12	Q1 12/13
F1 –Resource base affected by slow recovery from recession resulting in lack of funds to deliver in commitments and policies	4	4
F2 – Lack of effective procurement and contract management	6	6
F3 – Failure to achieve identified savings to ensure that the budget remains balanced	4	4
F4 – Impact of failure to effectively plan for self financing	3	Removed as completed 28/3/12
I2 – Failure to effectively manage health and safety	8	4
M1 – Failure to deliver required regeneration and economic growth	9	9
M2 – Failure to shape services based on robust understanding of customer’s needs	4	4
M4 – Failure to achieve efficiencies and improvements through alternative service delivery models	6	Deleted
R1 – Failure to align political aspirations for service delivery with budget pressures	3	3
R2 – Failure to respond to the opportunities presented by the Localism Bill	8	8

2. The wording of M1 ‘Failure to plan for growth and change in the Borough and to deliver required growth and regeneration,’ has been amended to better reflect the present position.

3. A number of documents have been uploaded into CorVu. These provide evidence as to the management of the individual risks and enable users of the risk registers, including scrutiny committee members, to follow up issues that they are seeking to address.
4. The Operational Risk Registers were first included in CorVu reports with effect from Quarter 3. The table below shows any changes in the risk scores for the significant risks between quarter 4 of 2011/2012 and quarter 1 of 2012/2013. In addition it shows completed risks that have now been removed from the current versions of the risk registers together with newly identified risks in some areas. Significant risks are those with a risk rating of 12 or more.

Risk	Resp Off	Q4	Q1
FR F04 – Under spends against budgets	SF	12	6
LDR M01 – New – Failure to reach our most vulnerable citizens, in particular the elderly and disabled , in the provision of housing assistance (i.e. grant aid and loan schemes)	SB	-	6
LDR M02 – New – Failure of Council Staff and Members to understand and embrace localism	SB	-	6
LDR M03 – New – Failure to prepare policy and strategy around Localism	SB	-	6
HL I01 – Failure to achieve headline service objectives	EB	4	Removed
HL I02 – Failure to adapt to , understand and influence the Council’s response to the Localism Bill	EB	8	Removed
HL F01 – New - Failure to closely monitor operational and financial factors affecting the delivery of the HRA business plan	EB	-	2
HL R01 – New - Failure to adapt to the new regulatory frameworks and requirements for tenant scrutiny	EB	-	3
HL R02 – New - Failure to deliver key milestones on time within Housing Repairs, Maintenance and Improvement Procurement Project	EB	-	4
PDR F01 – Market fails to bring forward because of continuing economic uncertainty	JD	12	12
PDR F03 – Key income streams do not meet planning fees, building regulations and local land charges income budgets	JD	12	12

5. A number of the other lower scored risks have had their risk ratings reduced reflecting the effects of the actions that have been taken to mitigate these risks.
6. As previously advised beginning in September the Operational Risk Registers will be presented to the relevant Overview and Scrutiny committee by the responsible Assistant Director. This will encourage increased awareness of risk to Members. The overall risk report will continue to be presented to Resources and Overview Scrutiny Committee and Cabinet.

Annex 1

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Annex 1

Annex 2

AGENDA ITEM: 9

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny
Date of meeting:	12 June 2012
PART:	1
If Part II, reason:	

Title of report:	Shared and Outsourced Services Update – Customer Service Centre and Gateway
Contact:	Neil Harden, Portfolio Holder for Residents & Regulatory Services Author/Responsible Officer: David Gill - Group Manager, Partnerships, Policy and Communications
Purpose of report:	To Update Scrutiny Committee on progress with the Customer Service Centre and Gateway market test, part of the Shared and Outsourced Services project
Recommendations	<ol style="list-style-type: none"> 1. That Members note progress on the project to market test the Customer Service Centre and Gateway project 2. That Members comment on the work undertaken on the project and the future aspirations for the Council's Customer Services and web operations
Corporate objectives:	Supporting the 'Dacorum Delivers' strategic change programme
Implications:	<p><u>Financial</u> The cost to the Council of developing or acquiring the client skills required following implementation are unknown at present. It is envisaged that if the service were to be outsourced there are unlikely to be savings made in the first three years of the contract but that a value for money review (VFM) would be conducted in year four with the aim to reduce the cost to the Council over the remaining years of the contract.</p> <p><u>Value for Money</u> Current central government legislation has identified that local authorities should seek to provide value for money for citizens by exploring partnership arrangements to deliver services.</p>
Risk Implications	Risk Assessment completed on 25 th April 2011 detailing risks relating to the Shared and Outsourced Services project.

Equalities Implications	Equality Impact Assessment has been carried out as part of the Shared and Outsourced Services Cabinet Decision. A further EqIA would need to be completed prior to any further recommendations to Cabinet
Health And Safety Implications	Whilst the project is internal there are no immediate Health and Safety issues. If the project leads to transfer of staff the health and safety implications will need to be incorporated into transfer documentation.
Consultees:	None specifically relating to this report. The Invitation to Tender document has been widely consulted.
Background papers:	Cabinet Report, 24 th May 2011 – Shared and Outsourced Services Project Cabinet Report, 13 th September 2011 – Web and Customer Access Strategy
Glossary of acronyms and any other abbreviations used in this report:	CRM – Customer Relationship Management PQQ - Pre-Qualification Questionnaire CSU – Customer Service Unit ITT – Invitation to Tender

Background

1. In May 2011 Cabinet approved a programme of Shared and Outsourced Services which included the market testing of the Customer Service Unit and website. The Customer Service Centre and Gateway project has four elements which are: the Customer Service Centres at Tring, Berkhamsted and Hemel Hempstead; the telephone Contact Centre; the DBC website; a CRM system
2. The Customer Service Unit (CSU) is the first point of contact for 260,000 callers and 65,000 face to face visitors each year. The unit regularly resolves more than 90% of customer transactions and enquiries for the 14 services they manage in the CSU. Customer Service Representatives are multi-skilled and are trained to be able to resolve the majority of the customer's issues at first contact.
3. A project group has been developing the market test led by the Corporate Director of Performance, Improvement and Transformation. A Pre-Qualification Questionnaire (PQQ) outlining the scope of the project was developed and issued in February this year. An evaluation exercise was undertaken to match the returned PQQs against the Council's procurement requirements and the Vision and Priorities. Following that a shortlist of potential bidders has been developed.
4. Since March 2012 significant development work has been undertaken to ensure that the service that is being market tested is future-proofed against the Council's business needs. Group Managers have outlined the developments that are expected in individual services and that has been matched to the Council's Web and Customer Access Strategy as well as the Council's aspirations for future customer interaction. A Staff Reference Group made up of staff from the CSU has been helping to sense-check the work as it progresses.
5. In May Cabinet Performance Board approved the appointment of specialist help to develop the service and associated documents in preparation for the market test. Paul Twine was appointed and has led the development of the Invitation to Tender (ITT) for the market. The ITT has been developed in line with the Council's

procurement and legal governance regulations and was released to the market on 31st August.

6. The closing date for bidders is 2nd October. It is anticipated that an evaluation of the bids against a pre-approved evaluation criteria will be undertaken in October with a recommendation being made to Cabinet at their meeting in November 2012.

Presentation

7. Paul Twine will present Scrutiny Committee members with a summary of the process so far and an outline of the aspirations and developments expected for the service in the future.
8. Committee members had expressed a wish to have greater detail about the risks associated with the project. The presentation will include a section about this aspect of the project along with an indication of the assumptions made relating to the future resourcing of the service.

10. EXCLUSION OF PUBLIC

To consider passing a resolution in the following terms:

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the item in Part II of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that if members of the public were present during this item there would be disclosure to them of exempt information relating to:

APPENDIX A

FINANCE AND RESOURCES: Overview & Scrutiny Committees: Work Programmes 2012/13

2 October 2012	14 September 2012				
30 October 2012 COUNCIL CHAMBER	12 October 2012	Quarter 2 Performance Reports	PM	S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director Strategy & Transformation, Community & Organisation. S Flynn, Assistant Director, Finance & Resources	
		Quarter 2 Operational Risk Register Reports	PM	S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director Strategy & Transformation, Community & Organisation. S Flynn, Assistant Director, Finance & Resources	
		Revenue & Benefits Report	PM	Shane Flynn, Assistant Director, Finance & Resources	
		Shared and Outsourced Update Report	PM	J Milsom, Assistant Director Strategy & Transformation, Community & Organisation.	

13 December 2012 Joint OSC meeting	3 December 2012	Budget 2013-2014 <i>Ideally no further items to be added</i>	Sc	S Marshall, Corporate Director Finance & Governance	
30 January 2013	15 January 2013	Quarter 3 Performance Report	PM	S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director Strategy & Transformation, Community & Organisation. S Flynn, Assistant Director, Finance & Resources	
5 February 2013 Joint OSC meeting	24 January 2013	Budget 2013-2014 Quarter 3 Financial Performance Data <i>Ideally no further items to be added</i>	Sc	S Marshall, Corporate Director Finance & Governance S Flynn, Assistant Director, Finance and Resources J Deane, Group Manager, Financial Services	
		Revenue & Benefits Report	Sc	S Flynn, Assistant Director, Finance & Resources	
5 March 2013	21 February 2013				

PM- Performance management PD- Policy Development Sc- Scrutiny

