

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

**TUESDAY 12 JUNE 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)

For further information, please contact Louise Dolphin on Tel: 01442 228633, Fax: 01442 228264, e-mail: [louise.dolphin@dacorum.gov.uk](mailto:louise.dolphin@dacorum.gov.uk) . Information about the Council is also to be found on our web-site: [www.dacorum.gov.uk](http://www.dacorum.gov.uk)

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**1. MINUTES**

To confirm the minutes of the meeting held on 20 March 2012.

**2. APOLOGIES FOR ABSENCE**

To receive any apologies for absence

**3. DECLARATIONS OF INTEREST**

To receive any declarations of interest

**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

<b>Report for:</b>	<b>Finance and Resources Overview &amp; Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>12 June 2012</b>
<b>PART:</b>	<b>1</b>

<b>Title of report:</b>	<b>Quarter 4 Performance Report</b>
Contact:	Nick Tiley, Portfolio Holder for Finance & Resources  Author/Responsible Officer: Shane Flynn, Assistant Director (Finance & Resources)
Purpose of report:	To provide the Committee with analysis of performance of services and functions provided by Finance & Resources to 31 March 2012
Recommendations	That the Committee notes the contents of the report and the performance of Finance & Resources to the end of Quarter 4, 2011/12.
Corporate objectives:	The provision of effective financial services and the allocation of resources such as building assets and facilities management support all five of the Council's corporate objectives, with particular reference to the <i>Dacorum Delivers (internal operations)</i> and, through the Revenues, Benefits and Fraud division, <i>Building Community Capacity</i> .
Implications:	<u>Financial</u>
'Value For Money Implications'	<p>Actions to address the growing workload in Revenues and Benefits resulted in short term resource requirements in the region of £50,000 during the final quarter. The costs were offset by underspends in other areas. These pressures will continue into 2012/13 and actions are required to address this.</p> <p><u>Value for Money</u></p> <p>There are no specific value for money implications in the report. Following a Cabinet decision in December 2011, the Facilities Management service within the Commercial Assets &amp; Property Development division was subject to market testing and was transferred to Serco on 2 May 2012. This will save costs of approximately £100,000 per year over the lifetime of the four-year contract.</p>
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	There are no health and safety implications
Consultees:	Group Manager (Commerical Assets & Property Development) Group Manager (Financial Services) Group Manager (Revenues, Benefits & Fraud)
Background papers:	Finance & Resources Service Plan 2011/12

## 1. Introduction

- 1.1. Performance reports are produced quarterly from the Council's performance management system, CorVu. The service performance report for quarter 4 (January to March 2012), shows a summary of the performance information available for Finance & Resources. Full reports are available on the CorVu Portal on the Council's Intranet. The data relates to the position as at 31st March 2012.
- 1.2. Detailed performance indicators and commentary on progress against agreed targets and against previous periods are annexed. Significant variations from performance are considered below along with progress updates on key initiatives within the sub-directorate.

## 2. Commercial Assets and Property Development

- 2.1. Commercial Assets had one indicator in quarter 3 showing red against the agreed target which has now been resolved:

**CP02 – Percentage arrears on commercial property rents** (9.24% against a target of 9.5%: 14.05% for 3<sup>rd</sup> quarter).

- 2.2. The economic downturn has created pressures for local businesses. Those that occupy premises let by the Council are no exception to this. Also, during 2011/12 the Estates Management service has been taking all opportunities provided by rent reviews and changes of tenant to place rents on a commercial basis, as required by the Council under its fees and charges policy. Both of these general factors resulted in increased levels of arrears during the 3<sup>rd</sup> quarter, but additional focus has brought income back on line in the final quarter. It should also be noted that there has been no overall decline in occupation rates, which remain very high.

- 2.3. Income from parking came in slightly below target:

**PS01 – Total car parking income received** (£2,121,650 against a target of £2,130,340)

- 2.4. Income from car parking has been below target for much of the year and recovered well in the post-Christmas period, particularly in comparison with 2010/12 where adverse weather

was a significant factor. A strategic review of car parking which is designed to consider alternative approaches to charging and use of car parks is scheduled for later this year.

2.5. It has taken some time to complete fully the phase 2 reorganisation of the Commercial Assets and Property Development. This is due to revised approaches towards an appropriate structure for this set of activities. However, the reorganisation is now and this will enable a stronger focus on delivery. Actions that have been completed to date include:

- appointment of a Team Leader for Building Services
- appointment of a Team Leader for Estates Management (to start in May 2012)
- Cabinet decision to transfer Facilities Management to Serco,
- review of possible flexible working arrangements amongst the Cemeteries Team which may include opening cemeteries for burials on Saturdays.

2.6. During this quarter the division has also:

- drafted a Strategic Asset Management Plan (to Cabinet on 24 April 2012) which will provide the context for detailed work streams designed to maximise the value of the Council's assets
- been closely involved in many of the major corporate projects, such as the Public Service Quarter initiative, development of the old Town and Old Town Hall and proposals for development of Jarman Park
- acquired, through active business management, three strategic assets to support the above initiatives and strengthen the Council's asset base
- finalised plans to relocate to the first ground floor that will result in all three divisions of Finance & Resources being brought together within the Civic Centre, thus achieving greater integration across revenues and resources teams
- achieved ParkMark accreditation in Gadebridge Lane, The Nap and Langley Hill car parks.

### 3. Financial Services

3.1. There is one indicator within the Financial Services area that is showing red against the agreed target:

**ACC01 - Percentage of creditor trade invoices paid within 30 days** (83.4% against a target of 95.0% for the year)

3.2. A process of reforming the Council's approach to paying short-term creditors is being implemented within all directorates. The purchasing project, which enforces stricter protocol for raising purchase orders, receipting goods and raising invoices, was completed in the final quarter. This has already had a significant impact with an improvement to 86.8% in the quarter compared to 79.3% in quarter 3 and to over 90% for the last two months of the quarter.

- 3.3. Further improvement is expected in 2012/13 and will be strengthened further by the introduction of the Government Procurement Card. The division will also finalise two outstanding items from the change of bank exercise: closure of the Lloyds bank account and ending of payment by cheque except in essential cases.
- 3.4. All financial targets were revised along with the revised budget at the end of quarter 3 but there were still instances of underspending against both revenue and capital budgets. Resolving the problem of underspending will be the main focus of Financial Services in 2012/13.

#### **4. Revenues, Benefits & Fraud**

- 4.1. A full report on Revenues, Benefits and Fraud was presented to the committee on 30 March 2012.
- 4.2. The Benefits service had been subject to increasing pressure due to the economic downturn. As at March 2011 the live caseload stood at 10,824 which was the highest on record. The caseload has increased to 10,998 as at 31 March 2012. This is the first year in which the number of households we are helping has risen above 11,000. Out of this total, we help about 9,200 households with their rent, and about 10,000 with Council Tax.
- 4.3. This dramatic increase in workload has been exacerbated by the introduction of the ATLAS direct reporting system, by which changes in tax credits are automatically notified to us by government departments. This ensures that more changes are identified but manual adjustments have to be made and additional information requested from the customer, which has added a layer of processing.
- 4.4. As a result of these pressures and other factors, such as high levels of maternity leave and the loss of two permanent staff members, processing backlogs have increased. Benefits officers undertook a campaign to reduce these during quarter 3 and the backlog was cleared in time for annual billing in February. However, phase 2 of the ATLAS programme has had a further impact on processing times, resulting in an average for the quarter of 27.2 days to process each new claim. In overall terms the average processing time has remained below target for most of the year:

**RBFB 01 - Average time taken to decide a new claim for Housing Benefit or Council Tax Benefit** (25.4 days against a target of 21.5 days for the year)

- 4.5. The processing time for changes to existing claims, on the other hand, improved during the final quarter compared to quarter 3. The processing time was reduced to 10.7 days (compared to 19.8 days in quarter 3) which brought the overall average for the year very close to target:

**RBFB 02 - Average time taken to decide a change event for Housing Benefit or Council Tax Benefit** (13.6 days against a target of 13.5 days)

- 4.6. An action plan for addressing the continuing workload pressures has been developed including:

- the introduction of new performance management processes supported by external consultants Liberata
- a pilot project to site benefits staff within the Customer Services Unit to deal with customers reporting changes of circumstances, which is designed to reduce processes

- reducing time-consuming reconsiderations by providing clearer explanations at the first stage
- piloting homeworking to improve productivity as part of the Council's wider flexible working project
- carrying out an end to end process review of the new claim process in order to improve efficiencies
- increasing capacity by appointing apprentices as posts become vacant and training these from day one in the Council's systems and approaches

4.7. During the quarter the service also:

- concluded the introduction of Auddis and Addacs, which simplifies direct debit processes and enables our systems to receive greater support.
- undertook targeted proactive work on NNDR which resulted in the service exceeding the NNDR collection target at the end of the year
- established a joint training post with Chiltern DC to ensure that in-house capacity is available during 2012/13 which will be a year of major change in Revenues and Benefits services both nationally and locally.

4.8. Counter fraud activities are continuing positively including targeted work on Blue Badges, the implementation of the Council's scheme for publicising information about fraudsters and increased corporate counter-fraud work in partnership with Internal Audit. The team has exceeded its targets for positive outcomes, with a final quarter of 76% and an overall performance for the year of 62%. This is a very good result that supports the targeted approach that the service takes.

Appendix A

## Appendix A

## AGENDA ITEM: 6

### SUMMARY

<b>Report for:</b>	<b>Finance and Resources Overview &amp; Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>20 March 2012</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Quarter 4 Performance Report</b>
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 4 and end of year performance information, 2011-12, for the Directorate.
Recommendations	1. That Members note the performance for Quarter 4(end of year) 2011-12.
Corporate objectives:	<b>Dacorum Delivers</b> – 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 4 Performance Indicators report
Glossary of acronyms and any other abbreviations used in this report:	CMT – Corporate Management Team CSU – Customer Service Unit

## 1 Introduction

Performance reports are produced quarterly from the Council’s performance management system, CorVu. The service performance report for Quarter 4 (January to March 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 4 data relates to the position as at 31<sup>st</sup> March 2012.

## 2 Headline Information

### 2.1 Performance Indicators:

Within the range of indicators collected there are two areas where performance is outside of the usual tolerance levels:

#### Partnerships and Citizen Insight:

##### 2.1.1 Customer Services team (indicator no. CSU 04):

- **CSU 04 – Percentage of calls answered in the Contact Centre within 20 seconds.** The ongoing improvement work in the Customer Service Unit, includes a change request form to services, so that major service changes to processes can be discussed with the CSU prior to implementation, enabling the service to prepare in advance for fluctuations in calls.

In 2012-13, there is an intention to develop more indicators about quality and avoidable contact to balance with response indicators.

#### Performance, Transformation and Improvement:

##### 2.1.2 Human Resources team (indicator no. HR10):

- **HR 10 - Percentage of employees who have been absent on more than 2 occasions in the quarter.** This indicator is a council - wide indicator and does not relate to the Human Resources team performance. The indicator was introduced mid year to track the effect of the changes to the Sickness Absence policy whereby staff are offered a sickness absence interview if they are absent on more than 2 occasions in 3 months. This will be kept under review.

### **3 Key Service Achievements**

The teams have completed service plans for 2011-12 and a selection of achievements is highlighted below:

#### **3.1 Customer Service Unit**

- The 'Tell Us Once' service successfully went live. 'Tell Us Once' is a new service launched by HCC to make it easier for people to notify government departments of births and deaths;
- 20,000 more calls handled than previous year;
- Customer Satisfaction and 1<sup>st</sup> Point Resolution targets exceeded throughout the year;
- Member tours of CSU and subsequent "shadowing";
- The service ran a very successful and innovative National Customer Service Week;
- Promotion and support for the Christmas Housing Rent Campaign and;
- A Rapid Improvement Event was carried out in the Customer Services Unit which led to the development and implementation of a comprehensive improvement plan.

#### **3.2 Performance, Improvement and Transformation Team**

- Successfully developed the Rapid Improvement methodology for the CSU and are using this in other service areas to reduce waste and improve services to customers. This includes end-to-end journey mapping from the point that the customer contacts a service, or the CSU, with an enquiry, to the point of resolution. This is a new initiative as all process reviews have previously been limited to processes within services, rather than looking at processes that the customer is subjected to. Improvement work has been identified for a number of services, and work has started in:
  - Planning
  - Revenues & Benefits
  - Housing OptionsOnce completed, recommendations to improve the customer experience will be made;
- Performance reporting has been reviewed, and all required reports are now monitored and available to view through CorVu, including service plans, project, risk and complaints reports. The CorVu homepage has also been reviewed and access to current reports has been simplified and improved;
- The Council-wide Environmental Management System has been developed, and is due for an initial audit early 2012/13. Volunteers from across services have been identified to become 'Planeteers' to assist the Council with ideas and initiatives to become more environmentally sustainable;
- Objectives and targets to reduce fuel and resources usage have been developed, as well as a project to reduce the fuel consumption of the Council's fleet of vehicles;
- SMS texting has been introduced in Waste Services to alert customers of any changes to their waste collection schedules, which has helped to reduce contact to the Customer Services Unit;
- A new corporate Complaints System has been developed and implemented and;
- Following the completion of the Management Development Programme which focussed on the top 3 tiers of management, Facet5 personality profiling has been rolled out to all Team Leaders across the authority, delivered by in-house trained staff. This is being followed up with a number of workshops to develop management skills and to facilitate more effective working practices.

### **3.3 Communications and Consultation Team**

- DBC's Communications team have been shortlisted, in two categories, in the Chartered Institute of Public Relations national awards for our project with Housing - 'Pay Your Rent' campaign which brought in over £100,000 in additional rent payments and cost only £4,000;
- The team developed and conducted a council-wide employee survey and is currently actioning the results with the Organisational Transformation corporate working group;
- Provided (and continue to provide) communications and consultation support for Council projects and priorities, for example Public Service Quarter development and public service quarter, Highbarns, Diamond Jubilee, Olympic Torch Relay, Housing STAR survey, electoral registration and website improvements;
- Appointed a Communications Apprentice;
- Continued to use social media as an additional method for message sharing and;
- Developed the customer insight tool Mosaic to support key projects with data about Dacorum's population.

### **3.4 ICT**

Since January 2012, the ICT improvement programme has:

- Delivered a new back-up solution making the Council more resilient;
- Reduced the pending helpdesk calls from over 400 in January 2012 to less than 150 at the end of March 2012;
- Completed the installation of the Mitel phone system; and
- Installed a more resilient firewall solution

### **3.5 Human Resources**

Amongst other corporate projects, the team has invested heavily in supporting managers to tackle sickness absence across directorates. The HR team developed a new policy in September 2011 which was designed to reduce sickness, in particular regular short term absence. The outturn for sickness absence this year is 8.6 days per fte, which is the second best result in the last nine years.

Appendix A

Appendix A

## Appendix A

## AGENDA ITEM: 6

### SUMMARY

<b>Report for:</b>	<b>Finance and Resources Overview &amp; Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>12th June 2012</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Performance Report Quarter 4 – Legal Governance and Democratic Services</b>
Contact:	<p>Cllr Neil Harden, Portfolio Holder for Residents and Regulatory Services</p> <p>Author/Responsible Officers:</p> <p>Steven Baker, Assistant Director (Legal, Democratic &amp; Regulatory)</p> <p>Mark Brookes, Group Manager (Legal Governance)</p> <p>Jim Doyle, Group Manager (Democratic Services)</p>
Purpose of report:	To provide Members with the performance report for quarter 4 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'	<p><u>Value for Money</u></p> <p>Monitoring Performance supports the Council in achieving Value for Money for its citizens.</p>
Risk Implications	Risk Assessment completed for each service area as part of service planning and reviewed quarterly.
Equalities Implications	Equality Impact Assessment completed for each service area 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 : Quarter 4, 2011/12 Performance Report

## Appendix A

Appendix A

## AGENDA ITEM: 7

### SUMMARY

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

<b>Title of report:</b>	<b>PROVISIONAL REVENUE OUTTURN 2011/12</b>
Contact:	Cllr 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 provisional outturn position for the Finance and Resources Overview and Scrutiny Committee
Recommendation:	That Committee note the provisional outturn position for the Council.
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

#### 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 2011/12 provisional outturn position for:

- General Fund
- Housing Revenue Account (HRA)
- Capital Programme

The report also presents proposed movements to and from earmarked reserves.

#### 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 A summary of the GF provisional outturn position, including a breakdown of how net expenditure has been financed by government grants, reserves, and income from taxpayers, is shown in Appendix A.
- 2.3 The analysis in this report is based on the variance between outturn and the revised budget, which was reported to Members in February 2012 as part of the 2012/13 budget report. The original budget is included in Appendix A for information.
- 2.4 The key figure to note in Appendix A is the £948k Contribution to Working Balance in the Provisional Outturn column. This represents the net final underspend for the Council after all accounting adjustments have been made.
- 2.5 If there were no further contributions to earmarked reserves, this £948k would increase the Council's Working Balance to £3.93m compared to a target balance of £2.854m approved in the Medium Term Financial Strategy (MTFS). A review of the working balance has been undertaken with reference to the MTFS, and a decision taken to maintain the target balance and recommend additional transfers to earmarked reserves totalling £1.074m. The proposed transfers are outlined in Section 7 and were recommended by Cabinet to Full Council, at its meeting of 29 May 2012. If approved, these additional transfers will be reflected in the final outturn position reported to Cabinet in June 2012.

#### **Controllable and non-controllable variances**

- 2.6 The majority of the Council's income and expenditure relates directly to the Council's three Scrutiny Committee areas. In Appendix A this expenditure is shown as General Fund Service Expenditure, with a total favourable variance of £4.121m.
- 2.7 In order to help understand the causes of this variance, Appendix A separates expenditure into controllable and non-controllable categories (see columns A and B respectively). This helps to focus scrutiny on those areas where Officers are able to influence the outturn position, i.e. the controllable. Much of the variance analysis in this report focuses on the controllable variance of £1.017m.
- 2.8 The non-controllable variance of £3.104m shown in Column B is primarily the result of accounting adjustments which will not affect the Council Tax-payer, and are beyond the influence of Officers. The following material variances contributed to this variance:
  - (£2.353m) arising from the upwards revaluation of the Council's Investment Property (no impact on taxpayer);
  - (£862k) arising from accounting adjustments for pensions (no impact on taxpayer); and,
  - £98k arising from a reduced recharge from the GF to the HRA – reduced rechargeable expenditure within the GF will necessarily result in a reduced recharge to the HRA.

2.9 The following sections provide an analysis by Scrutiny area of the controllable budget variances that contributed £1.017m to the General Fund Service Expenditure total variance of £4.121m.

### 3. Finance & Resources

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

	<b>Revised Budget £'000</b>	<b>Provisional Outturn £'000</b>	<b>Variance £'000</b>
<b>Finance &amp; Resources OSC</b>			
Employees	11,326	11,366	40
Premises	2,924	2,654	(270)
Transport	82	69	(12)
Supplies & Services	4,817	4,239	(578)
Supplies & Services (Contributions to Provisions)	425	411	(14)
Third-Parties	309	323	14
Transfer Payments	52,990	52,627	(363)
Support Services	10,840	10,840	0
Holding Accounts	(0)	2	2
Capital Charges	2,060	2,060	0
Income	(78,147)	(77,388)	759
	<b>7,626</b>	<b>7,205</b>	<b>(421)</b>

3.2 The net provisional outturn position for F&R is £421k (5.5%) under budget. This £421k underspend represents around 40% of the Council's total controllable underspend of £1.017m (see Column A in Appendix A). This is slightly over the 37% F&R allocation of the Council's total revised budget.

3.3 Material variances within each category of expenditure are as follows:

**Employees – £40k over budget (0.4%)**

- £57k overspend in Benefits Administration due to additional resources required to clear benefits claims processing backlog; partially offset by
- £22k underspend in the Customer Service Unit due to slippage in recruiting to two positions, and maternity leave left uncovered.

**Premises – £270k under budget (9%)**

- £82k net underspend on Building Works. An increase in the number of unavoidable responsive repairs diverted resources away from, the more expensive, planned maintenance tasks.
- £47k underspend on insurance due to reduced charges following a retendering exercise.
- £90k underspend on utilities.
- £35k underspend on the project to update car park signs and machines to reflect new tariffs.

**Supplies and Services – £578k under budget (12%)**

- £75k underspend following the correction of a duplicate employee budget relating to the administration of referendums.
- £25k saving on the budget provided to cover by-elections that were not required.
- £73k underspend on Financial Services reflecting reduced Audit Commission fees following their downgrading of the Dacorum audit risk (£25k), and the correction of a prior year error (£55k).
- £130k various underspends within Revenues & Benefits relating to reduced bailiff usage, reduced court fees, and underspends on IT relating to Northgate.
- £32k underspend in IT relating to incorrectly budgeted staffing costs.
- £17k underspend due to slippage in the Management Development programme.
- £25k underspend in the Improving Dacorum Programme due to delays in arranging IT consultancy services in advance of the AVDC partnership project.
- £96k underspend due to no expenditure on the Facilitating Change budget.

**Transfer Payments – £363k under budget (0.7%)**

- This underspend relates to the payment of benefits. The reduced amount of benefit paid explains part of the under-recovery of income within Finance & Governance – the amount of government grant received to make benefit payments was reduced in line with the payments made.

**Income – £759k under recovery (1%)**

- £363k reduced government grant income reflecting the reduced amount of benefits paid (see above).
- £328k reduction in income to reflect the audit opinion of the 2010/11 final benefit grant claim, which is likely to result in the Department for Work & Pensions (DWP) making a one-off reduction to future grant payments of £328k. This is an annual adjustment and reflects systemic timing issues between the claiming of grant by the Council and the payment being made by DWP. It is prudent to recognise this adjustment in the current year, although the final position will not be confirmed until DWP respond to the audit opinion.
- £66k increase in rental income relating to a retrospective rent review of the ski slope at Jarmans Park.

#### 4. Strategic Planning & Environment

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

	<b>Revised Budget £'000</b>	<b>Provisional Outturn £'000</b>	<b>Variance £'000</b>
<b>Strategic Planning &amp; Environment OSC</b>			
Employees	7,965	7,889	(76)
Premises	1,615	1,617	2
Transport	3,258	3,206	(52)
Supplies & Services	2,511	2,276	(235)
Supplies & Services (Contributions to Provisions)	9	60	51
Third-Parties	92	107	15
Support Services	3,357	3,353	(4)
Capital Charges	1,094	1,094	0
Income	(10,488)	(10,731)	(243)
	<b>9,413</b>	<b>8,871</b>	<b>(542)</b>

4.2 The net provisional outturn position for SPE is £542k (5.8%) under budget. This £542k underspend represents around 53% of the Council's total controllable underspend of £1.017m (see Column A in Appendix A), which is slightly higher than the 45% SPE allocation of the Council's total revised budget.

4.3 Material variances within each category of expenditure are as follows:

**Employees – £76k under budget (0.9%)**

- £54k underspend in Waste & Recycling due to the release of a provision made in 2010/11 for an employee injury claim that was ultimately resolved at no cost to the Council.
- £30k underspend in Clean Safe and Green due to a combination of recruitment slippage and lower than anticipated agency costs.

**Transport - £52k under budget (1.6%)**

- £50k underspend arising from various minor savings across Clean Safe and Green and Waste and Recycling primarily relating to fuel, and a reduction in the amount of uninsured losses.

**Supplies and Services – £234k under budget (9.3%)**

- £231k underspend on the Local Development Framework (LDF) project. Primarily this is due to slippage on the overall master planning process (£170k) as the team's efforts were focused on furthering the Public Service Quarter (PSQ) project. In addition, a further £55k was saved as the Council opted not to print bound copies of the LDF plan, instead utilising discs.

These LDF project costs were to have been funded through reserves. However, the reserves will now be drawn down in future years to meet expenditure incurred in the delivery of the project as it occurs.

**Contributions to Provisions - £50k over budget (560%)**

- £35k arising from a bad debt provision against an Economic Development loan made in 2009/10 which is now irrecoverable due to the recipient going out of business.
- £23k increase in general bad debt provision for Waste and Recycling.

**Income – £243k over budget (2.3%)**

- £74k increase in income relating to an increase in the number of Penalty Charge Notices (PCNs) issued.
- £120k increase in car-parking income reflecting the fact that there was less snow this year than last, contributing to maintained steady usage.

## 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:

	<b>Revised Budget £'000</b>	<b>Provisional Outturn £'000</b>	<b>Variance £'000</b>
<b>Housing &amp; Communities OSC</b>			
Employees	2,684	2,674	(10)
Premises	1,749	1,748	(1)
Transport	80	67	(13)
Supplies & Services	677	641	(36)
Supplies & Services (Contributions to Provisions)	0	(7)	(7)
Transfer Payments	4	2	(2)
Support Services	1,196	1,201	5
Capital Charges	1,143	1,143	0
Income	(3,724)	(3,714)	10
	<b>3,809</b>	<b>3,755</b>	<b>(54)</b>

- 5.2 The net provisional outturn position for H&C is £54k (1.4%) under budget. This £54k underspend represents around 5% of the Council's total controllable underspend of £1.017m (see Column A in Appendix A), which is well below the 18% H&C allocation of the Council's total revised budget.
- 5.3 The GF variances reflect numerous minor variances across the Scrutiny area, none of which are noteworthy in amount.

#### **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 provisional outturn position for the HRA is shown at Appendix B.
- 5.5 Following the revised budget-setting exercise, the HRA balance at the end of 2011/12 was forecast to be £3.198m. However, the provisional outturn position shows an in-year underspend of £754k, which, when factored into the forecast balance, results in a closing balance of £3.952m.
- 5.6 Significant variances contributing to the variance of £754k are:

#### **Income £300k over-recovery (0.5%)**

- £80k under-recovery of net rental income, representing a 0.17% variance from revised budget.
- £177k over-recovery of non-dwelling rents. Income was conservatively estimated at the time of setting the revised budget, and the outturn position is closer to the original budget.
- £157k over-recovery of lease-holder charges. Income was conservatively estimated at the time of setting the revised budget, and the outturn position is closer to the original budget.
- £42k over-recovery on Other Items of Income. Primarily, this reflects improved collection rates on water charges.

#### **Repairs & Maintenance – £134k underspend (1.6%)**

- £107k overspend on Void Repairs. There has been a new approach to the management of void repairs in 2011/12 in which transferring tenants were asked to ensure the completion of more work themselves. This resulted in a significant (£340k) underspend against the original budget of £1m, despite being slightly over the revised budget.
- £270k underspend on Other Repairs/Income reflecting a more proactive approach to billing tenants for rechargeable works, together with a slight reduction in the amount of works being carried out.

### **Supervision & Management – £239k underspend (2.9%)**

- The primary contributors to this variance are a reduced management recharge from the GF, of around £100k, due to lower than budgeted GF support costs, combined with an underspend on utilities relating to Elderly Persons Dwellings.

### **Provision for Bad Debts – £78k overspend (39.2%)**

- The bad debt provision is calculated using a formula approved by the Audit Commission. The in-year increase reflects an increase in the level of outstanding debts (arrears having increased from £1.35m to £1.5m).

### **Interest Payable – £51k underspend (16.9%)**

- The revised budget of £300k was based on the set-up fees for the Self-Financing loan and three days' interest based on an assumed interest rate of 4.5%. The actual average interest rate achieved was 3.2%, which represented a £40k reduction in interest payable.

### **Interest and Investment Income – £85k over-recovery (85%)**

- The revised budget saw an overly-conservative reduction on the original budget from £140k to £100k. In reality, improved investment performance saw a £45k improvement against the original budget.

## **6. Capital Expenditure**

- 6.1 For 2011/12, the Council's total revised estimate of capital investment was £17.5m. A summary of the actual investment of £12.1m is set out in Appendix C.
- 6.2 The strategy for financing capital expenditure is proposed by the Section 151 Officer as follows: firstly through external contributions and capital grants, secondly, where appropriate, through contributions from revenue, and finally through capital receipts.
- 6.3 The provisional capital outturn position for both General Fund and HRA is shown in Appendix C.

### **General Fund capital programme**

- 6.4 At £3.739m, the GF outturn position is £3.987m under spent against the revised budget of £7.726m, equating to a slippage rate of 51%. GF slippage on the capital programme was 30% in 2010/11 and 47% in 2009/10.
- 6.5 Material variances (over £100k) are:
- Acquisition of Investment Property - £999k slippage. This amount is committed to the purchase of 41 The Marlowes, which was not completed as at 31 March 2012.
  - Housing Development Fund - £1.6m slippage. This fund was approved by Cabinet as a general provision for the service rather than for a specific project – the funds were not required in 2011/12.

- Maylands Business Centre - £290k underspend. £50k of this represents slippage into 2012/13 for an outstanding retention payment. The remaining £240k represents a saving. The funding for this project came from the Growth Area Fund (GAF), and any subsequent use of the underspend will need to relate to regeneration, and meet the restrictions attached to GAF funding.
- Improvement Grants - £181k underspend. The improvement grant scheme is currently under review as Officers work on alternatives to the current system that offer improved value for money for Council Tax payers.
- Car Park Refurbishment Programme - £133k slippage. Resource pressure has resulted in this project being rescheduled for 2012/13.

6.6 Further review of the 5-year capital programme is currently underway to ensure that the forecast delivery dates of capital projects are realistic. Capital funds are the largest source of the Council's investment funds and it is crucial that accurate information on the timing of expenditure is available if the Treasury team is to achieve the best return on the Council's investments.

### **HRA capital programme**

6.7 Excluding the HRA self-financing payment of £354.015m, the HRA outturn position is £8.4m, some £1.3m (13%) under spent against the revised budget of £9.7m. (The self-financing payment is separately financed, and has no impact on the overall HRA capital programme.)

6.8 Material variances (over £100k) are:

- Lifts - £214k underspend. Unanticipated problems with footings for the structural works resulted in slippage to the project, which will be completed in 2012/13.
- Fire alarms - £156k underspend. The design work has been completed, but a decision was taken to delay the delivery of this project to align it with the fire risk assessment scheduled for 2012/13.
- Pelham Court structural repairs - £480k underspend. This project was delayed due to a complex consultation process with tenants and leaseholders.
- Roofs: flat to pitch - £396k underspend. This relates to work on flats in Queens Square, Hemel Hempstead, which were delayed due to planning issues over whether the square is categorised as having iconic status.

## **7. Balances and Reserves**

7.1 The Reserves Summary in Appendix D reflects the movements previously approved by Council, together with the following transfers proposed, contingent on outturn, in paragraph 3.6 of the Budget Report to Cabinet in February 2012:

- Uninsured Loss Reserve – contribution £200k  
To increase the Council's protection against the impact of uninsured losses.
- Land Charges Reserve – contribution £180k

To mitigate the impact of potential liabilities arising from the Environmental Information Regulations 2004.

- Technology Reserve – contribution £250k  
To support investment in the Council's technology infrastructure to build system resilience and provide opportunities for future efficiencies.
- Redundancy Reserve – contribution £500k  
To mitigate the impact on annual revenue expenditure of any future redundancy requirement to deliver savings in the short to medium term arising from the Local Government Resource Review and the outcome of shared services and outsourcing projects.
- Localisation of Council Tax Support Transitional Reserve – contribution £250k  
To create a new reserve to enable the Council to support a scheme to provide transitional protection for benefit recipients.
- Vehicle Replacement Reserve – contribution £270k  
To part-finance the Council's future vehicle fleet replacement programme thereby reducing the call on future capital resources.

7.2 In cases where reserves were to be drawn down in 2011/12 to fund budgeted expenditure which was not spent in full, only the amount required to fund actual expenditure was drawn down.

7.3 The most noteworthy example of this relates to the Local Development Framework (LDF) reserve which was budgeted to have £231k drawn down to fund expenditure in 2011/12. For the reasons explained in paragraph 3.10 these funds were not required in 2011/12, and thus have remained in the reserve to fund future years' expenditure on the LDF project.

7.4 In addition to the above, at its meeting of 29 May 2012, Cabinet recommended to Council the following additional transfers to reserves. These reserve movements are not currently reflected in the Reserves Summary, but will be included at the final outturn report if approved by Council.

- Public Service Quarter (PSQ) Transition Reserve – contribution £1m  
This reserve does not currently exist, so would need to be created. The reserve would be a prudent measure, enabling the Council to mitigate some of the inevitable risks associated with a project on the scale of the PSQ development.
- Dacorum Development Programme Reserve – contribution £74k  
To contribute to the financing of revenue costs associated with the set up and governance arrangements for the Local Investment Plan.



## Appendix B

## Appendix C





## AGENDA ITEM: 8

### SUMMARY

<b>Report for:</b>	<b>Finance and Resources Overview &amp; Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>12 June 2012</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Annual Risk Management Report 11/12</b>
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 ROSC with the year end report for 11/12 in relation to the ongoing implementation of the Risk Management Strategy  (2) To provide the Q4 report on the Strategic Risk Register  (3) To provide the Q4 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 29 May 2012

## BACKGROUND

1. During 2011/12 the focus on risk management was to consolidate and build on the changes that took place in 2010/11: namely the changes to the Corporate Risk Group, the Risk Strategy and Risk Guidance. This concentrated on establishing a stronger governance framework and placing risk management within the context of business planning and monitoring. Putting the Strategic and Operational Risk Registers on CorVu was a key element of this which was designed to:

- Make risk reporting simpler
- Make risk reporting more visible and more open to scrutiny from members
- Improve ownership of risks and risk registers
- Focus attention on revising risk assessments regularly and frequently

2. The Corporate Risk Group has been incorporated into the Assistant Directors Group and risk assessment is addressed as a specific topic by the group once each quarter as part of the risk management scrutiny cycle. Overall responsibility for scrutiny of both strategic and operational risks remains with the Finance & Resources Overview and Scrutiny Committee.

3. During 2011/12 Deloitte undertook an audit of Risk Management. The auditors provided 'substantial' assurance that the system was working effectively both in terms of design of controls and implementation of controls. There were five recommendations, as follows:

R1 Assistant Directors and Group Managers should be reminded that risk registers should be completed consistently

R2 Assistant Directors should be reminded that operational risk registers need to be completed and submitted to the Performance and Systems Lead

R3 Operational risk registers should be uploaded onto Corvu...in a timely manner to enable the implementation of the new risk monitoring process

R4 Further direction should be provided to Assistant Directors on the concept of opportunity risks

R5 Assistant Directors should be reminded that internal audits which have identified significant issues should be included in the annual assurance statements

4. Each of these points has been addressed. In particular:

- Operational risk registers are uploaded onto Corvu and trend reporting will begin with quarter 4, 2011/12
- A detailed list of all internal reports was circulated to Assistant Directors during the compilation of assurance statements for the year ending 31/3/12 to ensure completeness in reporting internal audit comments in the assurance statements

### Risk reports, quarter 4, 2011/12

5. A copy of the Strategic Risk Register is attached at Appendix A for ease of reference, together with the Direction of Travel report. These reports show the position as at the end of Quarter 4.
6. There have been no changes to the risk scores for this quarter, although when considering some of the comments regarding progress it seems likely that some risk scores could be revised. Consideration should be given to this, in particular with regard to the following risks:
  - I2 - 'Failure to manage health and safety'
  - M4 - 'Failure to achieve efficiencies and improvements through alternative service delivery models'
7. Consideration is being given to a review of the Strategic Risk Register. It may be that some risks need to be reworded due to changing circumstances. Others may need to be deleted and new risks included to reflect the current threats and opportunities facing the Council. The table below provides a snapshot of the current position as at the end of Quarter 4 together with details of the actions to be taken and reported on in Quarter 1 2012/13.

Risk	Risk Rating	Actions for Q1 2012/13
F1 –Resource base affected by slow recovery from recession resulting in lack of funds to deliver in commitments and policies	4	Reword & Rescore
F2 – Lack of effective procurement and contract management	6	Rescore
F3 – Failure to achieve identified saving to ensure that the budget remains balanced	6	Rescore
F4 – Impact of failure to effectively plan for self financing	3	Delete as complete
I2 – Failure to effectively manage health and safety	8	Rescore
M1 – Failure to plan for change and growth in the Borough and to deliver required regeneration and restructure	9	Reword
M2 – Failure to shape services based on robust understanding of customer's needs	4	Rescore
M4 – Failure to achieve efficiencies and improvements through alternative service delivery models	6	Reword/Delete

R1 – Failure to align political aspirations for service delivery with budget pressures	3	No Change
R2 – Failure to respond to the opportunities presented by the Localism Bill	8	No Change

8. Some of the risks do not have any Assurance Documents attached to them as yet. It has been requested that details of the links to such documents be forwarded to Linda Dargue who will then be able to upload them into CorVu. These documents are essential as they 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 may be seeking to address.
9. 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 quarters 3 and 4. Significant risks are those with a risk rating of 12 or more.

<b>Risk</b>	<b>Resp Off</b>	<b>Q3</b>	<b>Q4</b>
FR F04 – Under spends against budgets	SF	12	12
PDR F01 – Market fails to bring forward because of continuing economic uncertainty	JD	12	12
PDR F02 - External funding sources are reduced or disappear	JD	12	8
PDR F03 – Key income streams do not meet planning fees, building regulations and local land charges income budgets	JD	12	12

10. As with the Strategic Risk Register, there are a number of medium-rated operational risks where it may be possible to reduce the risk rating still further in view of the progress made during 2011/12. In addition there are some that are now no longer relevant; where the work has been successfully completed, these will be deleted. This is something that will be discussed at the next meeting of the Corporate Risk Group. Any changes will be reported in the Quarter 1 report.
11. Looking forward to 2012/13 the individual 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 Finance Resources Overview Scrutiny Committee and Cabinet.

## Appendix A

## Appendix A

## Appendix A

Appendix A

Appendix A

## AGENDA ITEM: 9

### SUMMARY

<b>Report for:</b>	<b>Finance and Resources Overview &amp; Scrutiny</b>
<b>Date of meeting:</b>	<b>12 June 2012</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Complaint Handling</b>
Contact:	Councillor A Williams, Leader of the Council.  Author/Responsible Officer:  Jim Doyle Group Manager – Democratic Services
Purpose of report:	1. To provide an update on improvements to Complaints Handling in the Council  2. To outline future expansion of the complaint handling process for 2012/13
Recommendations	1. To note actions taken to improve performance in the handling of customer complaints.  2. To note areas of intended future expansion for 2012/13
Corporate objectives:	Dacorum Delivers – improvements in the handling of complaints will continue to support the ‘Dacorum Delivers’ corporate objective by improving the level of service to customers and delivering better value for money for all residents.  Building Community Capacity – Improved complaints handling means we can respond effectively and produce information that will be useful in improving outcomes for Dacorum’s communities and building community cohesion.
Implications:	<u>Financial</u>  The Service improvements outlined will be sourced from existing budgets and staffing resources.  <u>Value for Money</u>  Improved Complaints handling, recording and monitoring could identify efficiencies which contribute to improved value for

	money.
Risk Implications	Risk Assessment reviewed and risks associated are addressed. Poor handling of complaints can damage the Council's reputation with residents and other related local government bodies and institutions.
Equalities Implications	Equality Impact Assessment reviewed. Action taken to improve performance and resilience will enrich the council's responses to residents and assist in concentrating the Council's efforts in identified areas of need.
Health And Safety Implications	There are no health and safety implications arising from this report
Consultees:	Internal Audit; Service Users
Background papers:	Internal Audit Report - May/June 2012

## 1. Introduction

This report is intended to update the committee on the progress with improving our complaints handling and monitoring and to set out the future targets for further improvement and expansion into the related areas of Ombudsman Investigations and MP enquiries.

## 2. History.

2.1 During 2011, as part of the Admin Review process, the conduct and operation of the Council's Complaints Procedure was consulted upon and various options considered to improve the process. The main aims of this review were to:

- Improve and simplify the actual complaints procedure;
- Identify Central Admin staff to compile, collate, record and oversee the responses;
- Monitor the responses and response times centrally;
- Encourage officers to engage with the process and take ownership of the complaint and its response;
- Identify, install and maintain computer based, complaints recording and monitoring software/systems.

2.2 With these aims in view a new Complaints process was developed, adopted and introduced during the latter half of 2011, (while an improved interim process remained in place to bridge the gap till the introduction of the new system in spring 2012). To support this new process, several off-the-shelf Complaints Management Software Systems were identified. During this time a relatively robust and easily maintained, web based alternative was also developed 'in-house'. This web-based option was made viable, adopted and came into operation in April 2012. Those operating and monitoring the Complaints Process were trained in the use of the system during early 2012.

2.3 However, while the process has been made more efficient, the Council has also continued to develop the in-house solution as part of the Web and Customer Access Strategy to address wider issues. Logging complaints is one way in which the local

community interacts with the Council and this strategy is concerned with improving Customer Services processes. The in-house solution aims to rectify a number of inefficiencies which remained in the interim complaints handling system, for example, MP enquires are currently not integrated into the Corporate Complaints System, but will be integrated into the new software. The system is currently dealing mainly with Customer Complaints but it has been designed to be expandable and the intention is to roll it out to include Ombudsman Enquiries, MP Enquiries and in the future 'Freedom of Information' Responses.

- 2.4 In addition to the new software, the Central Admin team have introduced a new leaflet/poster display for the Customer Service Unit. Furthermore, the complaints policy is printed on the reverse of all complaints acknowledgement and response letters. This is being implemented to ensure that customers are fully aware of the Corporate Complaints Service, what it can and cannot cover and what the escalation process is if they are unhappy with the handling of their complaint. This will also include details of how to refer the complaint to the Ombudsman should they remain dissatisfied after it has gone through all stages of the process.
- 2.5 The new system has been in operations for just under a month and the first sets of results are becoming available. A further report could be scheduled for autumn 2012 to examine the actual results and assess the effectiveness of the new processes.

### 3. Internal Audit

3.1 While the new Complaints Procedure was being developed an Internal Audit investigation into Complaint Handling was undertaken. At the time of the Internal Audit being carried out, work was already in progress to build the new in-house software system and the software went live on 16th April 2012. All areas identified at planning stage for inclusion into the new system are incorporated, and some areas - specifically around reporting, are scheduled for development when the initial roll out phase is complete.

#### 3.2 Internal Audit Result

This audit investigation revealed the Complaints procedure and processes to be substantially sound.

#### 3.3 Internal Audit Recommendations

However, the audit investigation also identified some weaknesses in four areas that fall under Priority 2 recommendations ..... 'which, although not fundamental to the system, provide scope for improvement to be made'.

These recommendations are:

- Key documentation should be retained;
- Responses should be issued within the required timeframe;
- Complaints analysis should be fed into the Risk Management Process; and
- Investigation into the poor performance of Complaints KPIs.

✓ Key documentation should be retained

Recommendation 1 had already been incorporated at the planning stage of the new software – all documentation is now held within the interaction record for each customer/complaint. At the time of the Audit taking place, responding officers did not

have direct access to the system used (i.e. Flare: due to restrictions around user licence numbers), therefore the central complaints handlers had to export documents to send to the responding officer in order that they could prepare their response and return it to them to upload. Under the new system this issue no longer exists, responding officers receive automatic notification if they have been assigned a new case with a hyper link to the customer contact. They are able to fully access the system to view any documents that relate, their draft response must be compiled electronically within the system and when authorisation of the response content is complete the system automatically generates the response (in line with the customers preferred contact method). All documentation is therefore stored within the system and no export/import takes place after the initial logging of the complaint details.

- ✓ Responses should be issued within the required timeframe

Recommendation 2 had already been taken into consideration following our own review of procedures and again was incorporated at the planning stage of the new software. The working day deadlines were agreed as part of the Phase 1 review of complaints and all responding officers & complaints handlers are aware of these timeframes. Within the new software, automatic reminders are scheduled to electronically notify the responding officer that their complaint has reached it's due date, holding letters are available and can be system generated where required to notify the complainant that we need longer to complete our investigation. Further work is scheduled to expand the suite of electronic reminders and incorporate escalated reminders/reporting facilities where complaints have gone overdue.

- ✓ Complaints analysis should be fed into the Risk Management Process

Recommendation 3 was not something we considered at planning stage of the new software, this recommendation will be taken forward with a view to building the link between complaints analysis and the risk management process.

- ✓ Investigation into the poor performance of Complaints KPIs

Recommendation 4 is already in place within our performance management cycles. Complaints data is considered at the Monthly Performance meetings attended by Cllr Andrew Williams, Cllr Brian Ayling, Daniel Zammit, Louise Miller & Janice Milsom. Poor performance is highlighted and where it is felt necessary, Group Mangers are requested to attend to present improvement plans to the group. On a service level, a suite of electronic reports will be developed to allow service managers and responsible officers access to information relating to potential risks based on historic data and performance issues within their directorate via the Complaints Management Software.

#### **4. Ombudsman Enquiries**

- 4.1 During the review concern was expressed regarding the deteriorating performance in respect of Ombudsman response times. The target for response is 28 days. Our performance is published annually by the Local Government Ombudsman. The figures below show our performance has declined year on year and falls well below the expected standard.

Annual statistics (average number of days to respond)

2008-09	42.1 days
2009-10	49.8 days
2010-11	51.8 days

## 4.2 Response

Steps were taken to tighten our controls following phase 1 of the Complaints Review, however the Ombudsman enquiries still sit outside of our complaints software systems and are therefore not reported as monthly performance data and do not provide us with a robust audit trail or a link to any investigation through our own complaints process prior to the Ombudsman involvement.

- 4.3 However, as a result of the tightened controls, the provisional annual statistics provided by the Local Government Ombudsman for 2011-12 indicate a vast improvement in performance with an average number of days to respond of 29.9 days.
- 4.4 The Chief Executive has made it clear that it is a corporate responsibility to ensure performance in this area improves to the required standard.
- 4.5 It is agreed with Corporate Directors that they be copied into any Ombudsman information requests that fall within their service area (information requests should still be sent to Group Manager for response). Corporate Directors will take responsibility for ensuring Ombudsman complaints/information requests within their service areas are responded to in a timely fashion.
- 4.6 Ombudsman Contact

Contact from the Ombudsman, in most cases, falls within one of five categories;

1. An enquiry/request for information so that they may take a provisional view as to whether or not they should investigate.
  2. A notification of their provisional view that no action is needed.
  3. Notification of a premature complaint, with a request it be investigated through our own Corporate Complaint Process.
  4. Notification that a complaint is being investigated with a request for specific information relating to the case.
  5. A final decision notice on a complaint.
- 4.7 A trial process was put in place in April 2012, with additional measures as listed below. The Democratic Services Team leader (Admin) uses a scheduler to electronically log new cases in a shared calendar and set task/reminders to pop up within Outlook to notify when deadlines are approaching. Responsibility for the management of Ombudsman enquiries now sits solely with this officer (with back up officers trained to cover in their absence). The process is as follows;
1. Any enquiries/requests for information are forwarded to the relevant Group Manager, with a copy to the Directorate Support Team & Corporate Director. The GM is asked to respond direct to the Ombudsman, with a copy to the [ombudsman@dacorum.gov.uk](mailto:ombudsman@dacorum.gov.uk) mailbox for our records.
  2. Notification of a provisional view is passed to the relevant Group Manager for their information only, with a copy to the Directorate Support Team.
  3. Premature complaints for investigation through our own complaints handling system are logged into our Complaints Management System at Stage 1, in the usual way (with the customer as the contact) attaching all the Ombudsman documents and making it clear in the text of the complaint that it was received via the Ombudsman. The response will be sent direct to the customer.

4. Notification of a new complaint to be investigated by the Ombudsman, along with all paperwork and information requests are sent to the Group Manager for their attention, with a copy this to the Corporate Director, Assistant Director, Directorate Support Team. The Group Manager is asked to draft a response to the Ombudsman, to be returned to the [ombudsman@dacorum.gov.uk](mailto:ombudsman@dacorum.gov.uk) mailbox. The Group Manager is notified of the deadline for draft response (the target that we are measured against by the Ombudsman is 28 days. The final response will be compiled in the Chief Executive's office, for his signature. To allow sufficient time for the response to be finalised & sent, the target for Group Managers to provide the draft is 15 working days from date of receipt).
5. Any final decision notices are forwarded to the Group Manager, Corporate Director, Assistant Director & Directorate Support Team for information.

4.8 This trial process is running well and is now due to move on to the next stage. This stage entails work with the Web Management section to develop our Complaints Management System to allow the integration of the above process to ensure the system can fully support it and that audit trails, performance information and a clear easy channel of cascade of information is available to responding officers when providing draft responses for the Chief Executive's approval & signature. It is intended to go live with this new integrated solution no later than August 2012.

## **5. MP Enquiries;**

- 5.1 Insufficient performance data has been gathered regarding the processing of MP Enquiries and the performance around response times. The system in place has not been reviewed or updated as part of the Complaints Review and is based on a spreadsheet logging and email distribution of requests to various officers/departments around the organisation for their direct response to the MP. Controls need to be tightened so that this element of customer contact can be performance monitored/managed.
- 5.2 Following the full implementation of a new and integrated Ombudsman process, the Democratic Services Team Leader (Admin) will be undertaking a review of MP enquiries. It is necessary to ensure we enter into dialogue with the MPs office and take into consideration/manage their expectations around the way in which their enquiries are handled and responded to.  
The aim is to introduce a 3 stage escalation process for MP queries, similar to that we have in place for standard complaints, with the ability to cross reference to existing customer contact on the same issue that we (may) have received directly via our own Complaints Management Software.
- 5.3 Work cannot begin on this area of customer contact until the work around Ombudsman has been completed; it is therefore proposed to start work on reviewing and designing this process in August 2012, with an intended go live date of October 2012.

## **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

<b>Date:</b>	<b>Report Deadline</b>	<b>Items:</b>	<b>Type:</b>	<b>Contact details:</b>	<b>Background information</b>
<b>3 July 2012</b>	<b>21 June 2012</b>	Options for Future Operation of Hemel Hempstead Town Street Market	Sc	Mike Evans, Group Manager, Commercial Assets & Property Development	
		Community Infrastructure Levy	Sc	Heather Overhead, Infrastructure Planning Officer and James Doe, Assistant Director (Planning, Development & Regeneration)	
<b>4 September 2012</b>	<b>22 August 2012</b>	Quarter 1 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	
		Procurement Update Report	Sc	B Hosier, Group Manager Commissioning, Procurement & Compliance	
<b>2 October 2012</b>	<b>20 September 2012</b>				
<b>30 October 2012</b> <b>COUNCIL CHAMBER</b>	<b>18 October 2012</b>	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	
		Risk Management Updates	PM	L Dargue, Insurance and Risk Manager	
<b>13 December 2012</b> Joint OSC meeting	<b>3 December 2012</b>	Budget 2013-2014  <i><b>Ideally no further items to be added</b></i>	Sc	S Marshall, Corporate Director Finance & Governance	
<b>30 January 2013</b>	<b>18 January 2013</b>	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	
<b>5 February 2013</b>	<b>24 January 2013</b>	Budget 2013-2014	Sc	S Marshall, Corporate Director Finance & Governance	

Joint OSC meeting		Quarter 3 Financial Performance Data  <i>Ideally no further items to be added</i>		S Flynn, Assistant Director, Finance and Resources J Deane, Group Manager, Financial Services	
<b>5 March 2013</b>	<b>21 February 2013</b>				