



FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE AGENDA

WEDNESDAY 30 JANUARY 2013 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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1. MINUTES

To confirm the minutes held on 30 October 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 Resource Overview & Scrutiny
Date of meeting:	30th January 2013
PART:	1

Title of report:	Shared and Outsourced Services Update – Customer Service Centre and Gateway Contract Update and Risk Assessment
Contact:	Neil Harden, Portfolio Holder for Residents & Regulatory Services Responsible Officer: David Gill - Group Manager, Partnerships, Policy and Communications
Purpose of report:	To update Councillors on progress with the Customer Service Centre and Gateway project (part of the Shared and Outsourced Services programme) and to consider the Risk Register for the project
Recommendations	That Members <ul style="list-style-type: none"> a) note progress on the Customer Service Centre and Gateway project, and b) scrutinise and make comment on the associated Risk Register
Corporate objectives:	Supporting the ‘Dacorum Delivers’ strategic change programme
Implications: ‘Value For Money Implications’	<p><u>Financial</u> The target for the project is to invest in service modernisation and to deliver a minimum of £280,000 operational savings. A value for money review (VfM) is to be conducted after the first three years of the outsourced operation (should Cabinet take the decision to outsource the service) to consider the future financial sustainability of the project.</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	A risk assessment of the CSCG project has been undertaken and is summarised in this report.
Equalities Implications	An Equality Impact Assessment has been completed
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 be incorporated into transfer documentation.
Consultees:	Those involved in development of the Risk Register include: <ul style="list-style-type: none"> • Group Managers • CSU Staff Reference Group • CSU Management Team • DBC Projects Team
Background papers:	<ul style="list-style-type: none"> • Cabinet 24/5/11 – <u>Shared and Outsourced Services Project</u> • Cabinet 13/9/11 – <u>Web and Customer Access Strategy</u> • Finance and Resources OSC 4 September 2012 – <u>“Shared and Outsourced Services Update - Customer Service Centre and Gateway Project”</u> • Finance and Resources OSC 30 October 2012 - <u>“Shared and Outsourced Services Update - Customer Service Centre and Gateway Project”</u>
Glossary of acronyms and any other abbreviations used in this report:	CSCG – Customer Service Centre and Gateway project CSU - Customer Service Unit ITT – Invitation to Tender CRM – Customer Relationship Management System

Background

1. Finance and Resources Overview and Scrutiny Committee have been monitoring and scrutinising progress on the Customer Service Centre and Gateway project.
2. The Customer Service Unit (CSU) is the Council’s first point of contact for 260,000 callers and 65,000 face to face visitors each year.
3. A project group has developed the Invitation to Tender and bids were invited from shortlisted preferred bidders up until 20th December 2012.
4. A Staff Reference Group made up of staff from the CSU has been helping to sense-check the work as it progresses. Regular meetings have been held with Unison to ensure their engagement.

Progress Update

5. At the October Scrutiny Committee members were given a detailed summary of the work that had been undertaken to develop the Invitation to Tender. Since the meeting work on the project has continued:
 - The Invitation to Tender was completed and released on 31st October 2012.
 - A three week period of ‘due diligence’ meetings with potential bidders was completed
 - A five week clarification period for bidders undertaken, resulting in 80 clarification questions being tabled and answered
 - Work completed on a public sector comparison for the project which has taken the form of a CSU Service Delivery Plan. The CSU Service Delivery Plan 2013 – 2017 has been developed using the outcomes required by the ITT. It sets out details of how the Council will deliver the service in the

future if the contract is not awarded to an external supplier. This has been signed off by the Portfolio Holder, Corporate Director and Assistant Director of Finance

- A financial comparator completed to cost the CSU Service Delivery Plan and identify internal financial implications for the project
 - Three Risk Assessment Workshops have been completed with staff, Group Managers and CSU Managers
 - An Equalities Impact Assessment Workshop has been undertaken
 - The evaluation process of the bids received by the Council is in process
6. A report is being prepared for the Cabinet meeting programmed for 26th March 2013 on the outcomes of the tendering exercise. The Part Two report will be confidential because it contains commercial information which is related to Council contracts. Cabinet will be presented with the outcome of the evaluation and a recommendation on the future delivery of the service. This recommendation will take into account:
- How closely the bidder has met the criteria in the ITT
 - Information from the CSU Service Delivery Plan 2013 - 2017
 - The risks associated with the project and future service delivery

If the Cabinet decision is to award the contract to an external provider a period of up to six months will allow for appropriate consultation and contract mobilisation before an estimated 'go live' date of October 2013.

A New Approach to Customer Services for the Future

7. The ITT outlines the requirements for a major change and improvement programme for the CSU and the Council between now and 2017. The programme outlines significant investment requirements and is aligned to a very challenging savings target which has been set in the context of the Council's Medium Term Financial Strategy. The ITT specifies that the following must be achieved by either an outsourced or in-house service:
- Introduction of a CRM system to facilitate a single view of the customer and evidence-based service provision across the Council;
 - A new in-person model with assisted self-serve at a minimum of six locations across the Borough;
 - Better systems for staff to ensure effective and efficient interaction with customers, including the introduction of a Knowledge management System;
 - Significant channel-shift of transactions to web based and telephone systems;
 - A revised staffing approach and structure which sets customers at the heart of the service;
 - A minimum level of cashable savings of £280,000 across a four-year period which includes any investment in new systems. (i.e. the cost of running the service after any capital investment must be a minimum of £280,000 lower than the current cost of running the service) and

- The majority of the savings to be delivered within 18 months of October 2013

The achievement of these elements carries with it some risk and these are captured within the Risk Register in Annex A. The overall project aim is to provide good customer service around the needs of the customer rather than the structures of the Council, whilst reducing the cost of the service.

The Risk Assessment

8. Risks have been managed at every stage of the development of this project and the inherent risks have been addressed in the following ways
 - A high level risk assessment on the shared and outsourced services programme
 - An intermediate level risk analysis for the CSCG project
 - A risk-based approach to developing the ITT, meaning that wherever possible risks are identified and dealt with during the development of the ITT
 - Risk workshops with specific staff and stakeholders

The Risk Register attached at Annex A is the integrated result.

9. The Risk Register identifies 80 risks associated with the CSCG project. It considers risks associated with outsourcing the service alongside those associated with keeping it 'in house'. It has been subdivided into the following sections:
 - Financial/Economic Risks
 - Service Delivery Risks
 - Political Risks
 - Performance Risks
 - Project Risks
 - Staff/ Employees Related Risks
 - Customer Related Risks
 - Technological, Web Development and Channel Shift Risks
 - Organisational / Corporate Risks
 - Physical Risks

Where risks have been identified as 'high' they have been shaded. There are 25 risks identified as being of high importance in the list.

AGENDA ITEM: 7

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	30th January 2013
PART:	1

Title of report:	Risk Management Report Q3 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 Q3 report on the Strategic Risk Register (2) To provide the Q3 report on the Operational Risk Registers (3) To advise that a review of the Strategic Risk register be undertaken in the light of the content of the Corporate Plan 2012 -2015
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 16 October 2012

BACKGROUND

1. The revised Strategic Risk register showing the position at the end of Q3 is attached at Appendix A for ease of reference. The table below shows a comparison of the risk scores from quarter 2 2012/13.

Risk	Q2 12/13	Q3 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
I2 – Failure to effectively manage health and safety	4	4
M1 – Failure to plan for change and growth in the Borough and to deliver required regeneration and restructure	9	9
M2 – Failure to shape services based on robust understanding of customer’s needs	4	4
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 recent review of the Corporate Plan provides an opportunity for the content of the Strategic Risk Register to be reviewed and where appropriate amended to reflect the current position. The changing environment, in which Local Authorities now find themselves, with increased emphasis on partnership working and new emerging

models such as social enterprise, may give rise to increased risks and opportunities for the Council. Consideration needs to be given as where these risks and opportunities lie and the potential effect that these may have on the achievement of the Council's objectives. More importantly, where possible, steps need to be taken to put measures in place that will enable these risks to be effectively managed.

3. It is suggested that this work be carried out in conjunction with the V4 consultants, as this will provide an opportunity for a 'fresh set of eyes' to look at the Strategic Risk Register and various other projects that are currently underway. The outcomes from this work will be used as the foundations for the Quarter 4 report which will be considered in June.
4. The Operational Risk Registers were first included in CorVu reports with effect from Quarter 3 11/12. The table below provides a comparison of the risk scores of the medium and high risks between quarter 2 of 2012/2013 and quarter 3 of 2012/2013.

Risk	Rasp Off	Q2	Q3
FR F04 – Under spends against budgets	JD	9	16
FR F05 – Opportunity to generate additional income from commercial assets under localism agenda	JD	6	6
FR I02 – Failure to respond to opportunities presented by the Localism Bill and subsequent legislation	JD	6	3
FR R01 – Lack of understanding of financial management across the Council	JD	9	9
LD RF01- Lack of resources to be able to spend the appropriate time analysing 3 rd party expenditure	SB	6	3
LDRF02 – Lack of resources to be able to design and implement a Category Management approach to the Council's 3 rd party expenditure	SB	6	4
LDR M01 – Failure to reach our most vulnerable citizens	SB	6	3
LDR M02 – Failure of Council staff and Members to understand and embrace localism	SB	6	3
LDR M03 Failure to prepare policy and strategy around localism	SB	6	3
PDR F01 – Market fails to bring forward because of continuing economic uncertainty	J Doe	9	6
PDR F03 – Key income streams do not meet planning fees, building regulations and local land charges income budgets	J Doe	12	9
PDR R01 – Local Development Framework fails to meet milestones in Local Development Scheme	J Doe	9	6

5. There have been a number of changes in residual risk scores on the operational risk registers during quarter 3. In the main the risk scores have reduced, reflecting the completion of risk control measures. Assistant Directors will be able to provide a more detailed explanation as required of any changes within their respective areas when they present their performance and risk reports to the relevant overview and scrutiny committees.

Appendix A – Strategic Risk Register

Appendix A – Strategic Risk Register

Appendix A – Strategic Risk Register

Appendix A – Strategic Risk Register

AGENDA ITEM: 8a

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	30th January 2013
PART:	1

Title of report:	Quarter 3 Performance & Operational Risk Reports 2012/13 – Legal Governance & 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)</p> <p>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 3 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 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 1 : Quarter 3 Performance Report Annex 2: Quarter 3 Operational Risk Register

1. Members will find attached to this report the performance data for Legal Governance and Democratic Services and the Operational Risk Register in relation to the third quarter of 2012/13. Generally speaking the data does not reveal any major issues for concern. Set out below is some additional information about the performance of the services during quarter 3 which may be of interest to Members of this Committee.

Democratic Services

2.1 During quarter 3 Member Support managed to organise the following:

- Published 26 agendas
- Completed 26 sets of minutes
- Spent 5 hours at daytime meetings
- Spent 30 hours at evening meetings
- Processed 39 public speakers at Committee
- Processed 17 Portfolio Holder Decisions

Four Member training sessions were provided during this quarter on the following topics:

- Environmental Management at the Council
- Localism
- Marlowes Improvements
- Budget Preparations 2013/14

Some of these sessions were provided by external companies and all received very positive feedback from those Members who attended.

The target for Member training is for each Councillor to attend 4 training sessions in the financial year. We have 2 remaining training courses scheduled in this financial year, therefore, with high member attendance we are set to achieve the target.

2.2 Overview & Scrutiny Review

The Overview & Scrutiny function is currently being reviewed as part of the Democratic Services Service Plan 2012/13. We have enlisted the support of Nigel Smith who has considerable experience in assessing and supporting scrutiny and challenge in different types of councils across England. He also carried out research and analysis as part of a national study of scrutiny and challenge in 2011 and was a member of the steering group for that study. He has also led reviews of governance in the UK.

Work has begun and key documents are currently being reviewed. The Overview & Scrutiny Committees in January 2013 will be observed by Nigel and then he will hold workshops with Members and Officers to seek opinions and suggestions. All members will be asked for their views on the way scrutiny operates at the Council which will be fed back to Nigel Smith.

To conclude the review, Nigel Smith will provide the Council with an improvement plan and a Member training session in March 2013.

2.3 Electoral Services

The Police and Crime Commissioner election was held in November 2012.

Reduced turnout and general voter apathy aside, this election still required the same amount of effort to organise and conduct as any other election and some important lessons were learned that will be useful in future elections:

- Once again the printing and issue of Postal Votes was successfully carried out by an external provider monitored by the elections team.
- The need to co-ordinate the issue of Postal Vote application forms with third parties (political groups, agents, etc) was highlighted and some additional practices adopted.
- The importance of cross boundary working with surrounding authorities was emphasised.
- The use of electronic methods for recording and totalling ballots cast were piloted at this election and consideration will be given to using these methods at the forthcoming County Council Election.

2.4 Postal Vote Signifiers Renewal

Electoral Registration are currently in the middle of renewing the database of signatures and Dates of Birth (DOB) used during elections to confirm the validity of Postal Votes. They have written to 6,795 Postal Voters, asking them to renew their signatures and confirm their DOB for our records. The returned details are then scanned into our election database. Currently 4,392 electors have responded leaving 2,403 outstanding. Those who do not respond to the first letter will be contacted again with a reminder. The final step will be to send a last reminder letter giving them an opportunity to reply and alerting them to the fact that if they do not provide these details they will no longer be eligible for a postal vote.

County Council Election

2.5 The Project Plan and Risk Register for the Hertfordshire County Council Elections scheduled for 2 May 2013 have been produced and will be circulated to the Parties, prospective candidates and Agents.

Central Admin Support

- 2.6 The Central Admin Team has increased its efficiency following the three members of staff recruited in Quarter 1 having completed their training and the upgrade of equipment in the Post Room.

The Central Admin function is becoming more proactive in developing the services it can offer to the Council and increasing the number of reactive job requests it fulfilled alongside the programmed work to 100%. At the end of Quarter 3 a refund of £8,500 had been received through the Royal Mail BusinessMail system we operate. The Central Admin Lead Officer has continued to develop the relationship with Royal Mail to track our post and ensure we are receiving the maximum volume of discount. Any outgoing mail that is received in the post room that does not adhere to BusinessMail standards is returned to the originating department who are informed of the reason for this rejection for future reference.

Reviews are ongoing within the team to look at how it will support the organisation as it progresses toward Dacorum Anywhere working, including the implications of EDRMS (Electronic Documents and Records Management System). As part of the preparations for the relocation of the Civic Centre staff and the aim of becoming a 'paperless office', the Central Admin Team are involved in the clearance and destruction of paper files from the Council's store rooms. They coordinated the collection and secure disposal of 6,657.00kg in weight of confidential waste in quarter 4.

Legal Governance

- 3.1 At a previous meeting it was reported that Legal Governance had, in July last year, joined the Public Law Partnership (PLP). Members asked for an update on the operation of the partnership and to see what benefits would derive for the Council from membership of the PLP.
- 3.2 Legal Governance reported at the October meeting that it had recently procured a licence renewal for the Public Law Company, an on-line legal research facility, through PLP which is projected to save £3,350 through the three year term of the contract.
- 3.3 Discussions have commenced through PLP relating to the procurement of a case management system to support the Council's move towards remote working and a paperless office environment, and work continues to assess the technical and compatibility requirements for the case management system before the final decision is made to procure the system.
- 3.4 There are no further savings to report directly from PLP at this stage and it is suggested that the Group Manager (Legal Governance) produces an annual savings/benefits report to this Committee in the quarter 4 performance report each year.
- 3.5 The Legal Governance team has been actively involved in many of the Council's enforcement priorities and in the last quarter successfully obtained:
- 3 Anti-social behaviour injunctions
 - 2 Hygiene Emergency Prohibitions Orders
 - Prosecution of an unlicensed House in Multiple Occupation

- Prosecution of a taxi operator for not keeping records
- Prosecution of an out of area taxi operator for operating within Dacorum without a licence (decision now being appealed)

3.6 Legal Governance continues to be 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, the strategic procurement of Housing Maintenance and potential outsourcing of the Customer Service Unit. These major projects will inevitably give rise to capacity issues for the in-house team, but contingency arrangements have been 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.

Appendix 1

Appendix 2

Appendix 2

Appendix 2

Appendix 2

Appendix 2

AGENDA ITEM: 8b

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	30th January 2013
PART:	1

Title of report:	Quarter 3 Performance & Operational Risk Reports 2012/13 – Performance, Improvement & Transformation
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:	To provide Members with the Quarter 3 information 2012-13, for the Directorate.
Recommendations	That Members note the performance for Quarter 3 2012-13.
Corporate objectives:	Dacorum Delivers – <i>Performance Excellence</i>.
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:	<ul style="list-style-type: none"> • Cllr Neil Harden – Portfolioholder for Residents and Regulatory Services • CMT

Background papers:	Attached: 1. Quarter 3 Performance Indicators report 2. Quarter 3 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 CSR’s – Customer Service Representatives ICT – Information, Communications and Technology HR – Human Resources FTE – Full Time Equivalent (staff) CRB - Criminal Records Bureau EDRMS - Electronic Document and Records Management PSQ- Public Service Quarter

1 Introduction

Performance reports are produced quarterly from the Council’s performance management system, CorVu. The service performance report for quarter 3 (October to December 2012), shows a summary of the performance information available for this part of the Performance, Improvement and Transformation directorate. All service based indicators are within tolerance levels. One corporate indicator is not within target and is noted below. Full reports are available on the CorVu Portal, on the Council’s Intranet.

2 Performance Indicators:

2.1 One corporate indicator is outside of tolerance levels:

HR 10: The percentage of employees who have been absent on more than 2 occasions in the quarter.

The quarter 3 figures show that 72 staff out of 766 have been absent through sickness on more than 2 occasions in this quarter. Whilst it is accepted that this is an indicator that covers a wide range of issues for services, it is an overall indicator of the levels of sickness absence across the Council. The highest areas for sickness absence in quarter 3 were Neighbourhood Delivery and Housing Landlord.

The 3rd quarter is usually the highest quarter for sickness absence and overall the target has been met – HR06 – 7.65 days per FTE recorded against a target of 8 days. However, short term frequent absences have an accumulative effect on absence levels and therefore have to be monitored carefully. In Quarters 3 and 4 extra training is being delivered to managers to assist with dealing with sickness absence and all individual cases that are causing concern are being managed with support from HR.

When the revised sickness absence policy was agreed at the Cabinet in July 2011, frequent short term sickness was one of the areas where new procedures were introduced, for example:

2.1.2 The routine setting of Attendance Targets:

Where sickness absence is an issue, compulsory attendance targets are now set for staff for all employees who hit a trigger point and have already taken over 9 days sickness absence within the past 12 months, or 18 days within the past 12 months if the employee falls under the Disability Discrimination Act. The targets are:

- no more than 4 working days recorded as sickness absence in 6 months; and
- for staff who are registered under Disability Discrimination Act, the attendance target to be set at no more than 8 working days in 6 months

2.1.3 The withholding of Occupational Sick Pay:

Occupational sick pay to be withheld for staff who do not achieve their attendance target and consequently receive a formal written warning, or a final written warning. The occupational sick pay is withheld for length of the warning validity i.e. 12 months for a warning and 24 months for a final written warning.

2.1.4 Referral to Occupational Health:

Staff who are off sick for longer than 4 weeks, or more than twice in 6 months, are automatically referred to Occupational Health. Disciplinary action is taken against staff who fail to attend a pre-arranged Occupational Health appointment without a valid explanation.

2.1.5 Flu Vaccinations

Flu vaccinations were offered to all front line staff in quarter 3 as part of the Council's Well Being programme.

HR will continue to work closely with the services to prevent all absences.

3 **Service information**

The teams have reported the following service information for Quarter 3:

3.1 **Customer Service Unit**

3.2 **Customers Served:**

3.2.1 **Call Centre:**

- 142,760 calls answered, a decrease of 6,975 on quarter 2;
- Call wait times, 83% were answered within the 20 second target an increase of 2% on quarter 2 – this figure currently includes calls coming in via the Netcall speech recognition system (22800). The Call Centre Braxtel telephones recorded 41% of calls answered within 20 seconds.
- First point of contact resolution 85.6%, a decrease of 13.6% on quarter 2
- Customer Satisfaction decreased 3% to 95% for quarter 3.

3.2.2 Telephony Project Update:

All issues around line capacity, calls looping in the system and the different telephone systems working together have now been resolved.

Individual meetings with all Group Managers concluded at the end of December to discuss their specific telephony requirements. Work is now underway to ensure the appropriate telephone routing is in place that not only fits the needs of the service but provides good customer service standards.

Voicemail: Improvements have now been made in 12 service areas, with all officers within these areas now having access to voicemail. We are working with 3 services (Finance, Revenues and Benefits and Regulatory Services) to ensure the options they want will provide good customer service and is capable within the system, these should be finalised by the end of February.

Once all the work above is complete, the service will provide a report of its findings, some of which are already in place e.g. refining the starter and leaver information with HR/IT to ensure telephone information is up to date. However, this one off piece of work will need to be maintained and IT and managers will need to take ownership of some of the issues. When we are sure everyone has voicemail we can then publicise the correct and appropriate corporate use of it from a Communications route.

The Call Centre is now providing customers with information on position in queue when they call the Contact Centre which has received positive feedback. In January and February we will also be introducing a queue busting facility within Netcall which will allow a restricted number of callers to leave their details and then receive a call back, rather than waiting longer in queue.

3.2.2 Customer Service Centre:

Customers Served:

- 15,815 customers served, a decrease of 786 on quarter 2 and a decrease of 417 compared to quarter 3 2011.
- Customer wait times: 68% were seen within the 5 minute target an increase of 6% on quarter 2 and an increase of 5% on quarter 3 2011.
- Customer serving times remain constant for quarters 2 and 3, but have increased by 1 minute compared to quarter 3 2011.
- First point of contact resolution for quarter 3 is 97.29%, a decrease of 1% on quarter 2 and 1.34% on quarter 3 2011.
- Customer Satisfaction increased 1% to 90% for quarter 3.

3.2.3 Training

We continue with the training of the 15 new staff and in January commenced the secondment post of a Training Officer within the CSU to ensure the high volume of training is addressed as quickly as possible. 7 CSR's have been enrolled for Customer Service NVQ's and 3 Apprentices are continuing with their Training & Development. Additionally, domestic violence training has been organised over January and February on 3 Saturdays for all CSU staff.

3.2.4 Service Initiatives

- Mitie continue to hold a weekly service desk in the CSC;
- Herts Young Homeless provide a support desk fortnightly;
- We continue to support Dacorum Foodbank with food parcel distribution;
- We are piloting a Triage Desk in the CSU which will mean that customers service requirements are identified immediately and those who wish to hand in forms, docs or obtain a rent statement, know an account balance, etc. can be dealt with at the Triage Desk. This prevents customers having to wait to see a CSR and also frees up CSR's to deal with more complex enquiries. It will also prevent customers taking multiple service tickets and the result should be improved wait time results; and
- We have been working with GovMetric to improve telephone take up for the customer feedback line. All CSR's have been given user codes so that individual performance can be monitored in respect of transfer rates to back office services.

3.2.5 Report from Davis Hickman Partners (data analysts)

A key area of concern identified from the assessment of the CSU operation was the lack of data and analysis of the day-to-day activity that took place. The Council collected base volumes, speed of answer and abandoned calls, however more granular data was required on the types of calls / visits and why the customers were contacting the Council, to help identify where there were opportunities to reduce avoidable contact (also known as failure demand) created by, for example; unclear Council publications, letters and communications; or repeat calls due to backlogs in processing application e.g. benefit claims, housing applications, etc.

A specialist in this area, Davis Hickman Partners, was commissioned to undertake such an assessment at Dacorum.

In summary the assessment identified:

- Potentially 20% of contacts were avoidable and that through better communications/documentation and revised processes, the Council could reduce the contacts it receives and thereby allow more time more vulnerable customers to be supported;
- A recommendation to implement resource management tools, changes to shift patterns and staff contracts in the CSU, based on customer demand throughout the day, week and month (noting seasonal variations e.g. Council Tax demands);
- A review of opening hours at all sites with particular emphasis on the demand at the sites in Tring and Berkhamsted. This was due to parts of the day/ week when contact was low and staffing levels are maintained, but meeting only a small on-site demand;
- A recommendation to introduce Service Level Agreements between the back office and the CSU which are regular reviewed to address process and quality issues that are impacting on service performance; and
- That the current Customer Satisfaction measures do not give the full range of data to ensure that customers receive a high level of service and in some cases may

be misleading. Satisfaction should not be measured only at the point of contact, but throughout the whole customer experience (end-to-end). Therefore new Customer Experience measures should be put in place to ensure the whole customer experience on e.g. a payments application, when reporting, so that whole Council performance can be demonstrated and improved, not only in the CSU.

3.3 Communications and Consultation

The Communications Team have been heavily involved in organising the staff conference – to be held on January 30th. The theme will be about delivering Customer Excellence. The team is developing a number of projects which will contribute to developing the Council's reputation profile both locally and nationally.

3.4 ICT

The current position on ICT is that a revised structure has been developed that will mean a number of key ICT posts will be recruited to during quarter 4. These are planned for in the 2013/14 budget. In the meantime key ICT projects continue, including the Data Centre migration and the desktop refresh programme (see 4.7 and 4.8). 216 desktops have now been replaced. With the replacement comes the opportunity to ensure that all devices conform to DBC data security standards and have correct virus protections. Meetings have also taken place with all service Group Managers to discuss and plan ICT service projects for 2013/14. New projects will have to be scheduled and resourced, according to priority alongside current workplans, to ensure that the current ICT projects programme (33 projects of varying scale) can be delivered. The service will also need to make significant input into a number of key corporate projects e.g. EDRMS, Decant and PSQ.

3.5 Human Resources

3.5.1 A Criminal Records Bureau (CRB) check programme is being run to ensure that all staff that need a CRB check have one that is current. This programme now includes staff that began working at the Council before CRB checks were introduced in 2002.

3.5.2 A Hepatitis B vaccination programme has commenced in relevant services. Staff have been offered a vaccination if they need one due to their work responsibilities but still have the option to decline. Vaccinations will commence shortly. To date we have approximately 160 staff that will require the vaccination.

3.5.3 Maternity Guidelines for staff and managers have been refreshed to ensure clarity in roles and that pregnant women are receiving all the information and support they need. In light of this work, we are applying for Tommy's accreditation. This accreditation is awarded to organisations that have sufficient policies and support in place for pregnant women. We will find out shortly whether we have been successful or not.

3.5.4 E-Learning – We are currently in the process of refreshing our e-learning courses and looking to deliver more mandatory courses via this avenue. This approach will be more efficient as most of the mandatory courses e.g. Data Protection, lend themselves to this type of learning and this fits with the Council's move to more remote working.

4 Dacorum Anywhere Programme

This is the Council's key change and transformation programme and is led by Assistant Director, Shane Flynn. Highlights of the programme are below:

The Dacorum Anywhere Programme refers to a collection of projects which aim to prepare the organisation for moving to the new Public Sector Quarter building. The projects included in the programme all aim to ensure Dacorum is a modern, flexible organisation that is able to adapt to the changing needs of our customers. They aim to improve the quality of service delivery, whilst ensuring cost effectiveness.

The programme includes the following projects:

4.1 Remote & Flexible Working

This project will prepare the organisation to be able to work flexibly, by enabling staff to work remotely from a variety of locations, including from home. It will create a modern working environment for staff, which will be smaller and more efficient through remote working and hot-desking, and will therefore be less costly and more efficient. For this to happen, we are ensuring that we have the correct policies and practices in place to ensure staff are protected through robust HR and Health and Safety guidelines, service delivery is maintained and that all ICT equipment required for flexible working is in place and effective.

Remote Working arrangements have already been piloted in the Revenues and Benefits and Procurement services, (Phase 1) and are now being rolled out across the rest of the Council. The programme timetable is shown below:

Service Area	Completed
Finance	Nov 2012
Revs & Bens (phase 2)	Feb 2013
Strategic Housing	Jan 2013
Strategic Planning	Feb 2013
Improvement Team	Feb 2013
Supported Housing	March 2013
Performance & Policy/ Partnerships & Citizen Insight	March 2013
Resident Services	April 2013
Democratic Services	May 2013
Commercial Assets	June 2013
Legal Governance	Aug 2013
Tenants & Leaseholders	Oct 2013
Planning	Dec 2013
Property & Place	Feb 2014
Environmental Health	April 2014
Members	July 2014

4.2 Electronic Document and Records Management (EDRMS)

EDRMS offers considerable savings in paper handling and associated processes, and its corporate implementation across the Council is required to enable all staff access to key document information when they need it, whether they are in a customer facing service, a back office service area or working from a remote location. This project aims to manage the roll-out of document management, retention and records management corporately across the Council through structured phases.

4.3 Telephony – Remote Working Options

This project is separate from, but working alongside the wider Telephony project. This project is looking specifically at what services need from the Telephony system to enable staff to work flexibly and remotely, including improving teleconferencing facilities.

4.4 E-Learning

The e-Learning project will improve and increase the availability of training courses online by making the most of technology to deliver cost and time-effective training, learning and development. The project aims to achieve a regional e-Learning platform to drive improvements and efficiencies in e-Learning across all authorities through engagement in the Hertfordshire Learning Partnership. Increased availability of training will be achieved through the sharing and collaboration of e-Learning courses.

4.5 SharePoint

This project will update and improve the Council's use of Microsoft SharePoint as an Intranet and document centre, by fully understanding its capabilities and potential uses across the organisation. This work aims to realise the benefits of using SharePoint through improved document management and workspace collaboration, alongside the EDRMS project.

4.6 Office Decant

This project will facilitate the relocation from the main Civic Office to two separate town centre locations. The moves are a temporary relocation in order to facilitate the sale of the Civic Office and the development of the PSQ building.

4.7 Data Centre Migration

This project covers the migration of the current Civic Offices ICT Server Room to a purpose built external hosting centre within Bucks County Council. This facility will provide a long-term 'cloud' location for DBC systems and enable delivery of efficiencies whilst increasing electronic storage capacity and improving business continuity arrangements.

4.8 Desktop Refresh

The Desktop Refresh project is the roll-out of desktop PC's or laptops in replacement of outdated NEC PC's. This project is separate to the Flexible and Remote Working project which will provide laptops for all potential remote workers. However, the two projects are working closely together to ensure that any outdated NEC's within a service that are due to be replaced are replaced with laptops in potential remote working services.

4.9 Web Improvement Plan

The Customer and Web Access Strategy identified services that could move towards web based transaction by providing e-forms and online payments. This move supports the Council's aim to improve access to Council Services and also supports the move to become a modern and efficient organisation through the 'Dacorum Anywhere' programme of projects.

It had also been identified that the Council needed to upgrade and replace its Content Management System as it was no longer maintained or developed by the supplier. This

has been completed and new web hardware with a more suitable, scalable and robust setup is in place, which will enable us to deliver web service requirements.

4.10 Customer Access/ Channel Migration

This project aims to improve how customers access our services, by making improvements in service delivery and providing a greater variety of ways the Council can be contacted. A fit for purpose and functional website is key and so this project will work closely with the Web Improvement project to ensure aspirations for improved access to services can be supported by the Councils website.

5 Risk Management

The Quarter 3 risk report for the service is attached, with all risks showing as 'amber' and under regular service review.

Q3 Performance Report – Appendix 1

Operational Risk Report – Appendix 2

AGENDA ITEM: 8c

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	30th January 2013
PART:	1

Title of report:	Quarter 3 Performance & Operational Risk Reports 2012/13 – Finance & Resources
Contact:	Nick Tiley, Portfolio Holder for Finance & Resources Author/Responsible Officer: James Deane, 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 December 2012
Recommendations	That the Committee notes the contents of the report and the performance of Finance & Resources for Quarter 3, 2012/13.
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> Contained within the body of the report.
Value For Money Implications	<u>Value for Money</u> Contained within the body of the report.
Risk Implications	A Risk Assessment is completed for each service area as part of the annual service planning process and is reviewed quarterly. Updates to the risk register are summarised in this report.
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 2012/13

1. Introduction

- 1.1. Performance reports are produced quarterly from the Council's performance management system, CorVu. The service performance report for Quarter 3 (October to December 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 31 2012.
- 1.2. Detailed performance indicators and commentary on progress against agreed targets and against previous periods are included in annexed A. Significant variations from performance are considered below.
- 1.3. Annex B provides updated risk assessments. Changes to risk assessments are summarised in the text of the report.

2. Commercial Assets and Property Development

Performance

- 2.1. Commercial Assets has no indicators in Quarter 3 showing red against the agreed target:

Risk

FR_F05 – Opportunity to generate additional income from commercial assets under localism agenda (Risk score reduced from 6 to 3)

- 2.2. This risk was further mitigated during the last quarter through information sharing at December's Parish Conference, and through publication of the Council's register of Assets of Community Value and the Guidance on Right to Challenge.

3. Financial Services

Performance

- 3.1. There are three indicators within the Financial Services area that are showing red against the agreed target:

FIN01 – Investment income (HRA) forecast against budget (£163k against an anticipated outturn position of £175k)

- 3.2. Although the HRA investment income budget was set in February 2012 at £150k, the target was amended on CorVu during Quarter 1 to £175k in order to retain a stretching target for the high-performing Treasury team. The original budget of £150k will probably be exceeded, but continued reduction of the interest rates available over the last quarter mean that the revised target of £175k will not be achieved.

FIN03 – General Fund expenditure outturn forecast against budget
(£14.7m against the original budget of £16.3m)

- 3.3. The Quarter 3 forecast outturn report published elsewhere on this committee's agenda provides details of the financial forecast as at 31 December.

FIN05 – Recycling Income YTD budget against YTD actual (£673k against a budget of £766k)

- 3.4. The Quarter 3 forecast outturn report published elsewhere on this committee's agenda expands on the detail provided in Appendix A.

Risk

FR_F04 - Underspends against budgets (Risk score increased from 12 to 16)

- 3.5. The Quarter 3 forecast outturn report published elsewhere on this committee's agenda provides details of the financial forecast as at 31 December, and indicates a likely underspend of c£1.6m against the original budget approved by Council in February 2012. A revised budget will be submitted to Council for approval in February 2013.

4. Revenues, Benefits & Fraud

Performance

- 4.1. There was one indicators within Revenues and Benefits that showed red against the agreed target:

RBF01 – Average time taken to decide a new claim for Housing Benefit or Council Tax Benefit (28.9 days against a target of 23)

- 4.2. While still below target this represents an improvement on the previous quarter. The team will continue with the same delivery strategy that has resulted in the improvements to date.

Risk

- 4.3 There were no changes to the risk scores for this are in Quarter 3.

Appendix A

Appendix A

Appendix A

AGENDA ITEM: 9

SUMMARY

Report for:	Finance and Resources Overview and Scrutiny Committee
Date of meeting:	30 January 2013
PART:	1
If Part II, reason:	

Title of report:	Quarter 3 Outturn Report 2012/13
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 forecast outturn position as at the end of Quarter 3, 2012/13.
Recommendation:	That Committee note the forecast outturn position
Consultees:	Budget managers
Glossary of acronyms and any other abbreviations used in this report:	DCLG – Department of Communities and Local Government F&R – Finance & Resources GF – General Fund H&C – Housing & Communities HRA – Housing Revenue Account LDF – Local Development Framework LGPS – Local Government Pension Scheme LSTF – Local Sustainable Transport Fund OSC – Overview and Scrutiny Committee PWLB – Public Works Loan Board SPE – Strategic Planning & Environment

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 31 December 2012. The report covers the following budgets:

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

1.2 Revenue analysis within this report is based on the variance between forecast outturn and the budget approved by Full Council in February 2012. Capital analysis is based on variance between forecast outturn and the revised capital budget approved by Cabinet in June 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 6).

2.2 Appendix A shows that General Fund Service Expenditure is forecast to be under budget by £1.45m at year-end (6.3%). This underspend is augmented by a forecast £180k over-achievement of interest receipts. The net impact is a £1.63m swing on the use of working balances – from a budgeted draw down from balances of £305k, to a forecast contribution to working balances of £1.325m.

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 £1.532m.

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	11,655	11,488	(167)
Premises	2,316	2,111	(205)
Transport	48	41	(8)
Supplies & Services	4,694	4,711	16
Third-Parties	264	253	(12)
Transfer Payments	56,788	56,788	0
Income	(63,657)	(64,116)	(459)
	12,109	11,275	(834)

3.2 The forecast outturn position for F&R is £834k (6.8%) under budget.

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

Employees – £167k under budget (1.4%)

- £150k underspend within Financial Services. £119k 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 (£89k)
 - reduced hours following return from maternity leave (£30k)

The remaining £31k is a net saving arising from a part year vacancy within the Financial Planning and Analysis Team.

- £47k underspend relating to maternity leave within Revenues and Benefits (Team Leader - £24k) and within Commercial Assets and Property Development (Team Leaders in Building Services and the Valuation Estates Unit - £23k).
- £41k underspend arising within Partnership and Citizen Insight and Performance Policy and Projects as a result of two vacancies being filled on a lower grade (Social Enterprise and Commissioning Officer and Improvement and Transformation Officer - £18k and £23k respectively).

- £21k underspend within Democratic Services relating primarily to an Admin Officer vacancy within Central Admin.
- £110k net overspend within Performance Policy and Projects arising from the ICT restructure.

Premises – £205k under budget (8.9%)

- £248k net underspend within Asset Management relating to a number of sites, but primarily to reduced maintenance expenditure within the Civic Centre following the decision to vacate the building as part of the PSQ project.

Supplies and Services – £16k over budget (0.3%)

- £101k underspend within Financial Services linked to reduced banking charges under the new bank contract (£31k), and reduced External Audit fees (£70k) following the appointment of Ernst & Young as the Council's auditors.
- £46k underspend relating to Member Support and Members' expenses, specifically a reduction in printing costs and subscriptions (£26k) and a reduction in the level of allowances claimed by Members (£20k).
- £181k overspend within Revenues and Benefits. This includes a £77k pressure for the purchase of IT licenses, which, pending approval of the capital expenditure by Capital Strategy Steering Group, could be reclassified as capital and removed as a revenue pressure. There is also a £40k pressure arising from consultancy fees on the Liberata project and a £64k pressure relating to the purchase of software to support the transition to Council Tax Support (although this will be grant funded so does not impact upon the wider bottom line position-please see income section below).

Income – £459k over achievement (0.7%)

- £189k overachievement within Asset Management relating to increased rental income following numerous rent reviews.
- £20k increased income from Cemeteries.
- £85k surplus within Revenues and Benefits relating to unbudgeted grant income from DCLG to assist with software to support the transition to Council Tax support (referred to above).
- £45k surplus within Partnerships and Citizen Insight relating to an insurance settlement for Dacorum Sports Trust (following a fire at the Little Hay Golf Course). However, this has been off-set by an increased grant payment to the Trust.

4. Strategic Planning & Environment

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

	Controllable Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Strategic Planning & Environment			
Employees	8,281	8,084	(233)
Premises	844	827	(17)
Transport	1,537	1,445	(92)
Supplies & Services	5,938	5,875	(63)
Third-Parties	64	103	39
Income	(9,927)	(10,143)	(216)
	6,737	6,155	(582)

4.2 The forecast outturn position for SPE is £582k (8.6%) under budget.

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

Employees – £233k under budget (2.8%)

- £133k underspend within Environmental Services: £113k underspend in Clean Safe and Green arising from a vacant supervisor post, and two new starters employed at lower spinal points and without the contracted overtime originally budgeted. £20k underspend in the Vehicle Repair Shop relating to a post that was scheduled to be filled by an apprentice, but which will not now be filled. The post has been deleted from the proposed 13/14 budget.
- £108k net underspend within Development Management and Planning linked to a number of vacancies, which have been partially off-set by the use of agency staff: £58k in Building Control, £19k Development Control and £31k Planning Conservation.

Transport - £92k under budget (5.9%)

- £78k within Environmental Services due to fuel prices currently tracking below the anticipated inflation rates assumed in the budget (£17k within Clean Safe and Green and £61k within Waste and Recycling).

Supplies and Services - £63k under budget (1%)

- £60k net overspend within Strategic Planning and Regeneration: £156k overspend for Local Sustainable Transport Fund (LSTF) initiatives in support of a behavioural change programme in Maylands Business Park to encourage the use of local public transport (£116k of this cost is funded by unbudgeted grant income received in year). Set against this overspend is an underspend of £97k relating to the Dacorum Look No Further Project.
- £30k overspend within Environmental Services (Clean Safe and Green) for new equipment to improve the level of service and customer satisfaction.
- £200k underspend within Development Management and Planning. This was included in the budget to cover a potential liability arising from an outstanding legal case. However, a provision was created as part of the year-end process, which effectively means that this £200k was paid for from the Service's 2011/12 budget, and this 2012/13 budget will not be required.

Income - £216k above budget (2.2%)

- £170k surplus within Strategic Planning and Regeneration. £116k relates to the funds received as part of a successful bid to the Department for Transport for the delivery of Local Sustainable Transport initiatives. This grant partially offsets the £156k overspend described in the Supplies and Services section, above. £54k relates to an overachievement of income by the Maylands Business Centre due to higher than budgeted occupancy rates.
- £168k surplus within Development Management and Planning. £23k relates to planning fees. In addition, at the time of the 2012/13 budget setting exercise, it was anticipated that the Council would lower the fee it charges for Land Searches following further guidance expected from central government. This guidance has not been received, and consequently the Council has not reduced its fees and a £145k surplus is expected for Land Charges.
- £100k surplus within Commercial Assets and Property Development for car parking, probably due to the unusually wet summer months.
- £90k pressure on Building Control fees. This outturn estimate takes into account the recent increase in fees.
- £199k net underachievement within Environmental Services relating to Waste and Recycling. This reflects a reduction in prices of £169k: £60k shortfall due to no longer sorting glass; £36k shortfall on Paper, following a trend of declining tonnage; and a £73k shortfall on plastics following a marked deterioration in prices down to £55 per tonne, from the budgeted £195 per tonne.

In addition, there is an expected reduction in Alternative Financial Model income of around £50k due to the increased cost of removing contamination from green waste. The total expected shortfall of £219k is marginally off-set by strong performance in other areas e.g the recycling of aluminium and steel, where projected income exceeds budget for the year by £20k.

5. Housing & Community

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 & Community			
Employees	3,161	3,191	30
Premises	464	399	(65)
Transport	57	49	(7)
Supplies & Services	2,411	2,448	38
Third Parties	24	25	1
Transfer Payments	5	5	0
Income	(4,014)	(4,126)	(112)
	2,107	1,991	(116)

5.2 The forecast outturn position for H&C is £116k (5.5%) under budget.

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

Employees - £30k over budget (0.9%)

- £87k overspend within Resident Services caused by increased overtime costs for the Jubilee in Community Cohesion (£14k), a new Manager and additional payments being made to standby CCTV operators within CCTV and Town Centre Management (£21k).

Other contributors include the unbudgeted costs of a Family Intervention Project Officer in Anti-social Behaviour and Neighbourhood Action (£42k), and the costs of Adventure Playgrounds staff to run youth clubs in the evening (£10k). Both of these pressures are offset by grant income that was successfully secured in year.

- £25k saving within Licensing due to a Licensing Officer vacancy.
- £24k saving within Strategic Housing arising from vacancy management (Housing Strategy and Partnership Lead Officer vacancy replaced on a lower scale point and Private Sector Housing Officer and Graduate Officer being previously over budgeted - £14k and £10k respectively).

Premises - £65k under budget (14%)

- £32k under budget within Resident Services due to the revenue impact of slippages in capital projects. There is a £15k underspend due to a delay in the

repair of the Old Town Hall roof, and expenditure on security is under by £17k due to slippage in the CCTV capital project.

- £43k underspend within Strategic Housing – the costs of housing the homeless in Bed and Breakfast accommodation have reduced following the implementation of alternative measures (Leys Road for example).

Supplies & Services - £38k over budget (1.6%)

- £10k overspend in Community Cohesion relating to Olympics and Diamond Jubilee.

Income - £112k over achievement (2.8%)

- £44k underachievement on Licensing related income caused by a delayed increase in the fees and charges approved in the 2012/13 budget.
- £60k surplus within Residents Services caused by unbudgeted grant income for the provision of a Family Intervention Project Officer in Anti-social Behaviour and Neighbourhood Action, and the costs of Adventure Playgrounds staff to run evening youth clubs (£50k and £10k respectively). This funding offsets part of the pressure described within the Employees section, above.
- £43k surplus within the Strategic Housing Service relating to the return of a grant initially issued by Housing Solutions to the Dacorum First Credit Union for a social loan initiative. The scheme has now ceased and the unused grant has been returned.

6. Housing Revenue Account (HRA)

6.1 The HRA is a ring-fenced 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.

6.2 The HRA balance at the end of 2012/13 is forecast to be £15.127m, which is £12.754m higher than the anticipated closing balance when the budget was set by Council in February 2012.

6.3 £816k of the £12.754m favourable variance results from a higher opening balance for 2012/13 than had been forecast at the time the budget was set. This resulted from a higher than anticipated underspend within 2011/12.

6.4 Significant variances contributing to the remaining £11.938m variance are:

Dwelling Rents - £250k (0.5%) overachievement

- This reflects a reduction in the income lost through carrying voids. Improvements in the voids management process have hastened the turnaround time and reduced lost income.

Other Repairs/Income - £135k (6.8%) under budget

- £110k relates to reduced payment to Mitie in 2012/13 for their site based overheads. This has arisen due to a prepayment made within 2011/12.

Supervision & Management (General Expenses) - £20k (0.5%) under budget

- £90k net underspend on employee costs. This reflects £160k underspend on permanent staff salaries linked to vacancies created to implement the HRA Procurement project, but to which no appointments have yet been made. This is partially offset by a pressure of £25k arising from agency costs relating to the Procurement project, in addition to a pressure of £40k in Housing Landlord due to creation of posts specific to the New Build programme.
- £45k underspend on consultancy within Landlord Service Development. This is a responsive budget set to enable the service to respond to changes in housing legislation that may occur throughout the year.
- £20k saving on bank charges following a successful project to encourage payments to be made by direct debit rather than by cash.
- £82k pressure on Uninsured Losses arising from a number of long-standing claims being settled this year.
- £30k increase in consultancy costs relating to the Procurement Project.

Supervision & Management (Special Expenses) - £194k (6.1%) under budget

- £50k saving relating to 'Decants for Major Works'. This budget relates to the cost of decanting tenants to other accommodation whilst major works are completed on their property. Expenditure has been reduced due to more efficient use of void properties.
- £30k underspend relating to 'Housing Cleaning Service'. £10k on Supplies and Services, and around £20k on salaries (against a budget of £466k) and £7k on overtime.
- £32k underspend relating to 'Community Alarm System'. Based on trend analysis for 2011/12 and the current year-to-date position the forecast outturn is estimated at £80k, below the budget of £112k.
- £25k underspend relating to the Chilterns Hostel. Small underspend on salaries of £5k. High occupancy rates have resulted in very low expenditure against the Council Tax and NNDR void properties.
- £35k underspend relating to Supplies and Services in 'Supporting People'. This comprises an underspend of £43k against laundry.

Revenue Contribution to Capital - £3.872m (98.22%) under budget

- 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 lower revenue 'top up' was required.

Interest Payable - £4.317m (27%) under budget

- 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.

Depreciation - £3.164m (26.3%) under budget

- The reduced depreciation charge reflects the lower valuation of the Council's housing stock as at 31 March 2012, undertaken as part of the year-end process.

7. Capital Expenditure

7.1 The capital programme, in Appendix C, shows variances against the 2012/13 revised budget approved by Cabinet in June 2012.

7.2 Some improvements have been made to the presentation of the capital programme in order to enable more effective scrutiny for both Members and officers. Rather than include the full programme, which tends not to show any change in future years' budgets, the new format focuses on the delivery of live projects, thereby drawing attention to areas where slippage is likely to occur. The full, 5-year capital programme will continue to be monitored, with proposed changes to future years' budgets reported to Members as they arise.

7.3 Changes to the format of the capital programme include:

- Capital projects now split by OSC to provide Members with clearer information;
- Year-to-date expenditure is included as a guide to how robust the forecast outturn position might be;
- Potential slippage is distinguished from potential underspend on each project to identify the accuracy of the initial project costing, and the potential saving arising.

General Fund

7.4 As at 30 September 2012, the forecast capital outturn for the GF is £11.924m against a total budget of £14.940m. The variance of £3.016m comprises forecast

slippage of £2.948m and net savings of £68k against original budget. Key components of the variance are analysed by OSC as follows:

- 7.5 **Finance and Resources** is forecasting a total variance of £162k (2.5%) against a budget of £6.562m. Key contributors are as follows:

Grants to Neighbourhood Centres (line 58) £50k slippage

This budget was approved to provide support for Neighbourhood Centres intending to carry out capital works. Payments are made on the basis of suitable application, and there have been fewer applications than anticipated at the time the budget was set.

Apsley Industrial Estate Box Gutter (line 62) £10k underspend

An alternative solution was found to this problem that avoided capital expenditure.

Hemel Hempstead Sports Centre Railings (line74) £35k slippage

This project will go ahead, but will slip into future years due to the prioritisation of other, larger capital projects relating to the Sports Centre, primarily the sports hall refurbishment.

Canal Fields Footbridge (line 76) £12.3k overspend

Rolling Programme – Hardware and Desktop Refresh (lines 97 & 103) net £56.4k overspend

The original budget was set prior to the initiation of the Dacorum Anywhere project, which has necessitated increased expenditure on laptops to further the Council's flexible working objectives.

Licence Agreements (lines 98 and 99) net £5.4k underspend

Negotiation of improved terms on the Enterprise Agreements (£17.8k) offset the overspend on Software (£12.5k).

ICT Consultancy (line 102) £20k underspend

This consultancy is not required and its removal from the programme will be recommended at the revised budget-setting exercise.

- 7.5 **Housing & Community** is forecasting a total variance of £2.272m (40%) against a budget of £5.649m. Key contributors are as follows:

Affordable Housing Development Fund (line 127) £1.6m slippage

This fund was made available to the Strategic Housing service to enable it to provide grants to Housing Association partners on application. It is unlikely that it will be used within 2012/13 due to a shortage of suitable projects

Hemel Gym refurbishment (line 128) £600k slippage

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

CCTV System Upgrade (line 134) £12k forecast overspend

Costs have been revised up in response to receipt of further information. This represents a 2.4% increase.

Old Town Hall Refurbishment (line 135) £50k slippage

Slippage due to further investigation of planning restrictions that emerged following initial works to sink a disabled access lift into the basement.

External Electrical Supply to Town Centre (line 136) £33k underspend

- 7.6 **Strategic Planning & Environment** is forecasting a total variance of £582k (21%) against a budget of £2.729m. Key contributors are as follows:

Old Town Environmental Enhancements (line163) £500k slippage

Awaiting County Council development plans to be brought forward.

Play Area Refurbishment programme (line 169) £25k slippage

Further Recycling Facilities for Flats (line 170) £57k underspend

This budget will be reviewed as part of the revised budget-setting process.

HRA

- 7.7 The HRA is currently forecasting to underspend against its major works capital programme by £316k (2%).

Appendix A

Appendix B

Appendix C

Appendix C

Appendix C

Appendix C

Appendix C

AGENDA ITEM: 10

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	30th January 2013
PART:	1

Title of report:	Annual Financial Report for Sportspace 2012-2014 (Dacorum Sports Trust)
Contact:	<p>Cllr Nick Tiley – Portfolio Holder for Finance and Resources</p> <p>Author/Responsible Officers: Shane Flynn – Assistant Director (Project Governance) Janice Milsom – Assistant Director (Strategy & Transformation) Paul Wiltshire – Social Enterprise and Commissioning Officer</p> <p>(Policy, Partnerships & Innovation)</p>
Purpose of report:	1) To provide the Finance and Resources Overview and Scrutiny Committee with a presentation from the Dacorum Sports Trust on their current and future financial plans 2012- 2014.
Recommendations	1) That the Committee notes the content of the Dacorum Sports Trust presentation.
Corporate objectives:	<p>Council Vision: Working in partnership, to create a borough which enables the communities of Dacorum to thrive and prosper.</p> <p>Regeneration: Drive value from Council Owned assets Building Community Capacity: support social enterprise; empower local community action and delivery</p>
Implications:	<u>Financial</u>
Value For Money Implications	<p>None from this report. The funding of the Dacorum Sports Trust is reviewed annually as part of the Council’s budget setting process.</p> <p><u>Value for Money</u></p> <p>The decision to transfer service to a Trust model in 2004 means that there are greater external funding opportunities for the services provided for the community. The funding model has achieved a reduction in grant from the Council, thereby contributing</p>

	to value for money services.
Risk Implications	A full risk assessment will be undertaken as future funding arrangements are agreed
Equalities Implications	Access to sports and leisure facilities has equalities implications for local residents and visitors to the area. The Council has recently contributed to a County-wide health and wellbeing strategy. Equalities Impact Assessment will be undertaken as part of the partnership review process.
Health And Safety Implications	None from this report.
Consultees:	Cllr Nick Tiley – Portfolio Holder for Finance and Resources Natalie Webb – Policy, Partnerships and Innovation Team Leader Shane Flynn – Assistant Director (Project Governance)
Background papers:	Presentation to Housing & Community Overview and Scrutiny Committee 31 October 2012 The Sports Trust will be making their presentation to Members of the Committee at the meeting.

1. INTRODUCTION

1.1. The Dacorum Sports Trust was established in 2004 and manages many of the Council's Sports facilities. The Sports Trust (SportSpace) now manages the following facilities through lease arrangements:

- Hemel Hempstead Sports Centre
- Berkhamsted Sports Centre
- Tring Sports Centre (dual use facility with Tring School)
- Longdean Sports Centre (dual use facility)
- Dacorum Athletics track
- Little Hay Golf Complex

1.2. In addition, SportSpace run a programme of Sports Development throughout the borough and aims to deliver innovative sports ventures such as the acclaimed XC building at Jarmans Park, the result of working with the Council and Youth Connexions over a two year period to develop a truly exciting world class extreme sports and youth centre.

1.3. As part of monitoring the progress and effectiveness of the Council's partnership with the Trust, the Trust made a presentation to the Housing and Community Overview and Scrutiny Committee in October, to provide Members with information about the performance and activities provided and outline some proposals for the future.

1.4. The presentation made by the Trust to the Finance and Resources Overview and Scrutiny Committee will provide Members with details of the Trust's financial

performance to date, use of funding, current position and outline detailed plans for the coming year.

2. SUBSIDY

- 2.1. The core grant subsidy made to Sportspace for 2012/13 is £425,000, which represents a £50,000 decrease from 2011/12. An additional budgeted element of £50,000 is available for support for the Little Hay Golf Course but this is reducable in the event that a surplus is generated above an agreed level. The benefits of this surplus are shared between Sportspace and the Council on a 60:40 basis. This year the Council received a reduction of £27,068 in respect of the final accounts for Little Hay 2011/12.
- 2.2. In March 2011 the Sportspace submitted proposals for capital development at Hemel Hempstead leisure centre, for conversion of the upper hall to a gym and for refurbishment of changing rooms. The proposals required an injection of capital funding amounting to £810,500 and were accepted by the Capital Strategy Steering Group in June 2011 and by Cabinet and Council in August 2011. However, a protracted procurement process meant that this work could not begin until late in this financial year and the expected benefits in terms of increased turnover have not been realised. The Council has therefore paid an additional £50,000 to Sportspace in this financial year to help the Trust manage the shortfall. This was paid for from unbudgeted insurance payments received in respect of Little Hay Golf Club fire in 2010/11.
- 2.3. The original grant when the services transferred was £862,000. The grant has been reducing year on year, apart from in 2007/8, when there was a significant rise in utility costs and the Council agreed to make a contribution for that year only. The Trust also, by agreement, receives and manages the Sports grants for Disablement groups which is around £13000 annually.

3. FUTURE FUNDING

- 3.1. Under existing financial arrangements the Council and Sportspace agree a level of core grant annually. Since the approval of the capital grant outlined above, both parties have been working towards the introduction of a more structured medium term-approach, dispensing with the need for an annual cycle of negotiations and resulting in core grant reducing to zero over time.
- 3.2. In addition, work is being conducted by the Council to capture and gather outcome measures to reflect future commissioning arrangements. Sportspace reports a diverse range of performance data to complement community, health and social care outcomes. The intention is to work towards developing a local sports and community outcome framework. Future funding opportunities may be targeted towards the outcomes of support and engagement of specific community groups
- 3.3. Sportspace has established a positive track record of community investment and has outlined a Five Year Plan that is yet to be fully costed. From the projects being researched and undertaken significant profits could be generated if funding is found. An estimated total of £16.3M will be required which, it is hoped, can be found from the Council, External Funding Bodies and from Sportspace's own resources through commercial funding. This would allow for a new low cost gym

at Jarman Park, moving Berkhamsted Sports Centre to Ashlyns, extending Little Hay Clubhouse to incorporate a function suite and spa, rebuilding Tring Sports Centre and possibly moving the Track to a new location at a local school. By 2017-18 the projects could be providing additional profits of £648,000pa and the majority of the Councils portfolio of leisure facilities would be replaced or renewed.

- 3.4. It should be noted that changes in the Council's financial circumstances brought about by the continued reduction of Government funding and the wider economic circumstances have made a medium term planned approach to funding arrangements impracticable. The Council's Medium Term Financial Strategy anticipates savings targets of £4.3m over the period 2013/14 to 2016/17. In this context, annual negotiation over grant funding for all of the Council's partners, including Sportspace, will continue to be required.

Accounts Review 2011/2012 – Presentation Slides

AGENDA ITEM: 11

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	30th January 2013
PART:	1

Title of report:	Review of Probation Policy & Procedure
Contact:	Cllr Neil Harden – Portfolio Holder for Residents and Regulatory Services. Author/Responsible Officers: Janice Milsom – Assistant Director – Strategy and Transformation, Community and Organisation Matthew Rawdon – HR – Team Leader
Purpose of report:	To inform the Overview and Scrutiny Committee of the proposed amendments to the Probation Policy and Procedure.
Recommendations	That the Committee endorse the proposed amendments to the Council’s Probation Procedure.
Corporate objectives:	<i>Dacorum Delivers</i> – the effective management of staff contributes to the reputation of the Council and its overall efficiency.
Implications:	<u>Financial</u> None
Value For Money Implications	<u>Value for Money</u> None
Risk Implications	There needs to be a robust procedure to ensure that there is a streamlined process in place to manage staff through their probation period. The absence of this, could leave the Council vulnerable to: <ul style="list-style-type: none"> • Demotivated staff • Negative impact on reputation • More appeals and grievances • Poor performance • Negative impact on service delivery
Equalities Implications	The Equality Impact Assessment was reviewed in December 2012 and confirmed that the proposed amendments to the procedure would not unfairly discriminate against any group(s).
Health And Safety Implications	No implications from this report.

Consultees:	<ul style="list-style-type: none"> • Corporate Management Team • Group Managers • Human Resources team • All recognised Trade Unions
Background papers:	Annex A: Revised Probation Policy and Procedure document.

1 BACKGROUND

1.1 The current Probation Policy and Procedure was last comprehensively reviewed in 2008, although some minor updating has taken place.

1.2 Over the past few months the Council have encountered some fundamental problems with this procedure, which has made it difficult to manage staff in their probation period.

1.3 It was also apparent that there were some issues relating to formal warnings; notably that staff could be issued with a formal warning and then either leave the Council or improve and this would then remain on their file or be stated on their reference. This has a negative impact on continuing employees and ex-employees and is not considered good practice.

2 CONSULTATION

2.1 Feedback from managers and Trade Unions has been considered and where appropriate incorporated into the amended procedure.

3 SUMMARY OF THE PROPOSED REVISIONS

3.1 Creating links to the Council's High Performance Environment:

The procedure now makes reference to staff having to fulfil the behaviours and characteristics within the High Performance Environment in order to successfully complete their probation. **(Clause 4)**

3.2 Stipulating that staff on probation are unable to join the assisted car lease scheme and car/bicycle loan scheme.

Lease car schemes are for a period of three years, so it is prudent to restrict staff in their probation to join the scheme, otherwise the Council could be faced with an early termination fee if the member of staff failed their probation. **(Clause 3.4)**

3.3 Clarity on roles for managers, employees and HR

Specific mapped out responsibilities for all will help with applying the policy more consistently. **(Clause 4)**

3.4 Removal of written warning and final written warning sanctions

Within the procedure, stages are incorporated to manage poor performance, attendance and conduct, but unlike the current policy if employees do not improve they will not be issued with formal warnings. Managers will still be able to move through the stages of the procedure to eventually terminate the employment of a probationary employee if there is no evidence of improvement. This amendment has been introduced to support staff who have issues through their probation period, but subsequently improve, or staff who decide

to leave, as there will be no formal warning on their employment record or reference. The process of issuing formal warnings in probation is unusual and good practice suggests that it should be removed. **(Clauses 7.4 & 7.5)**

3.5 Letter template links for managers

These will provide managers with appropriate wording in line with the procedure and will ultimately aid consistency and help managers and HR defend any appeals.

3.6 The inclusion of an 'Early Probation Hearing'.

This option has been added. If there are severe concerns over a probationary employee in the first six weeks of employment, it will provide managers with an option to dismiss employees in the very early stages of the probation period where there are identified and evidenced very serious issues. **(Clause 9.2)**

3.7 Managing Sickness Absence during Probation Period

The Probation Procedure is now to be linked to the Council sickness target of no more than 8 days per FTE per year. This provides managers with the opportunity not to make a probationary staff member permanent if their sickness level is over the Council's target. **(Clause 9.4)**

4 REVISED PROBATION PROCEDURE

This is attached at Annex A.

Annex A: PROBATION POLICY AND PROCEDURE

1. PURPOSE

- 1.1 The purpose of the probation procedure is to ensure that all new employees have the opportunity to become familiar with the duties and tasks of their post and demonstrate the required standard of performance, attendance and behaviour expected of them. The probation period allows managers to ensure that newly appointed employees will be able to meet the objectives and targets required of the post. Where probation is not satisfactory, managers will not agree to permanent employment with the Council.

2. SCOPE

- 2.1 All employees (including temporary appointments) commencing with Dacorum Borough Council will be subject to a probationary period of 26 weeks regardless of previous Local Government Service.
- 2.2 Where an employee is on a temporary contract of less than 26 weeks the probation period will span the length of the contract. If the temporary contract were to be extended, the probation period would continue until 26 weeks' service was completed.

3. PRINCIPLES

- 3.1 The commitment to equality of opportunity will be observed during the operation of this procedure. This will ensure that employees are treated fairly without discrimination. The manager will consider reasonable adjustments to the operation of the procedure for employees who are classified as disabled under the Equality Act.
- 3.2 An employee whose performance, attendance or behaviour is unsatisfactory during this procedure may, following due process, have their employment terminated.
- 3.3 The competencies within the High Performance Environment need to be consistently demonstrated otherwise performance is deemed as unsatisfactory.
- 3.4 Staff who are entitled to join the Assisted Lease Car Scheme are not permitted to do so until they have successfully completed their probation period and are permanent employees. Staff are also excluded from a car or bicycle loan until they have successfully completed their probation.
- 3.5 Employees will be given every assistance to demonstrate their performance, attendance and behaviour. If improvements are required during the probationary period, employees will be advised and given further specific assistance.
- 3.6 Employees must have completed a satisfactory probation period before they are able to apply for any internal posts including 'acting up' and 'secondment' opportunities.
- 3.7 During an employee's probationary period any issues such as attendance, poor performance or behaviour (including misconduct) will be dealt with under the probation procedure.

4. ROLES AND RESPONSIBILITIES

4.1 Managers are responsible for:

- Clearly setting out the new employee's roles and responsibilities within their post, including explaining what is expected under the Council's High Performance Environment competencies.
- Setting realistic and reasonable standards of performance which are consistent with others in the team, and explaining those to the employee.
- Assessing training needs and implementing where appropriate.
- Providing adequate support to the new employee, as well as regular and structured feedback (both positive and negative) on performance and behaviour.
- Taking appropriate action under this policy if performance, attendance, or behaviour is unsatisfactory.
- Allowing the employee the opportunity for improvement within the set timescales.
- Carrying out the reviews in a timely fashion and ensuring that the outcomes of the meeting are recorded on the Employment Information System (EIS).

4.2 Employees are expected to:

- Be aware of the performance, attendance, behaviour standards expected of them and be committed to achieving them.
- Raise their manager's awareness if they need additional support in order to meet required performance standards (i.e. coaching, training, development).
- Identify skills/development areas to pursue and undertake any appropriate training.
- Comply with the High Performance Environment Competencies and achieve set objectives.

5 Human Resources (HR)

- 5.1 The HR team is responsible for advising and supporting managers and employees on the application of this policy.

PROCEDURE

6. For Employees Performing at a Satisfactory Level

- 6.1 There will be three probation meetings within the 26 week period. It is recommended that probation reviews are held after 6 weeks, 12 weeks and 24 weeks. The manager will assess performance, attendance and behaviour.
- 6.2 The outcome of these reviews should be recorded on EIS (from the employee's details screen click on 'Probation Details' on the menu on the left of the screen). The final review meeting (24 weeks) must be completed before permanent employment can be confirmed.
- 6.3 The manager will feed back positive and/or negative issues, with examples where possible, re-affirming that a satisfactory standard must be reached for all of the essential duties.
- 6.4 The manager will confirm employment in writing.

7. For Employees Performing at an Unsatisfactory Level

7.1 Where the employee's performance/attendance/behaviour is not satisfactory, the manager must firstly contact HR for advice/guidance on applying the policy. These meetings can be held at any time during the probation period.

7.2 The same manager should attend all meetings where possible.

7.3 The employee should be notified in writing of the formal meeting and informed that they may be accompanied by a work colleague or Trade Union representative.

7.4 First Formal Probation Review Meeting

- Meet with the employee to re-affirm the required standards, provide the employee with the opportunity to respond and seek possible reasons for the unsatisfactory review;
- Draw up an improvement action plan which will set goals/targets and identify with the employee any training and/or support needed;
- Inform the employee that the second formal probation review meeting will be in two to four weeks. (These timescales can vary at the managers discretion.); and
- Confirm the outcome of the meeting in writing and place a copy on personal file.

7.5 Second Formal Probation Review Meeting

- Meet again with the employee to re-affirm the required standards, provide the employee with the opportunity to respond and seek possible reasons for the unsatisfactory review;
- Amend the improvement action plan to reflect performance and capture goals/targets; and
- Inform the employee that if there is no improvement over the next two to four weeks, a Final Formal Probation Review Hearing will be arranged with a Group Manager or higher level of management to determine whether the employment is to be terminated. (These timescales can vary at the managers discretion). ;or
- Where there has been significant improvement, inform the employee of this and confirm permanent employment if they have completed the 26 week probation period. If an employee has completed less than 26 weeks, then revert back to paragraph 6.1.

7.6 Final Formal Probation Review Hearing

7.7 The Hearing will be chaired by a member of the Leadership Team, supported by HR.

7.8 The employee must be given at least five working days' written notice of the Hearing. The notice must specify the alleged unacceptable performance /attendance/behaviour to enable the employee to prepare his/her response. Any relevant documents to be used in evidence must be supplied to the employee at this stage together with details of any witnesses the manager will be calling. Any documentary evidence which the employee wishes to submit together with names of witnesses they wish to call should be made available to the Chair no later than two days prior to the Hearing.

7.9 The procedure during the Hearing will be as follows:

- The line manager briefly summarises the position to date including details of action taken to assist the employee to reach the required standard;

- The employee should be asked to comment on his/her progress and general performance;
- The line manager should then state whether or not the employee has reached The required level;
- The Chair will allow the opportunity for all parties to ask questions and then;
- The meeting will adjourn so that the Chair can deliberate. It may not be possible to decide on an outcome on the same day, so the Chair may decide to confirm in writing within 5 working days.

7.10 **Possible Outcomes**

- Performance/attendance/behaviour is considered by the Chair to be of an acceptable level and the employee is confirmed in post; or
- A formal extension (not exceeding six months) to the probation period is given. Following this extension there will be another Final Formal Probation Review Hearing before the same Chair; or
- Performance/attendance/behaviour is of an unacceptable level. The employee is dismissed. The employee should be given his/her contractual notice period, and, if it is not considered appropriate for him/her to remain at work, then a payment in lieu of notice will be arranged.

7.11 The outcome will be confirmed in writing within five working days of the Hearing date.

7.12 EIS will need to updated to reflect the decision.

8. APPEAL

8.1 The only right of appeal under probation is against Dismissal. This will need to be submitted by writing to HR within ten working days of the date of the dismissal notification letter. The written request must clearly state the reason for appeal. The appeal will be heard by the next level of management, not previously involved with the case.

8.2 This is the final stage of the Probation Procedure.

9. OTHER FACTORS

9.1 Extending Probationary Period

Where it is felt appropriate to extend the probationary period beyond 26 weeks in order to meet the required standards, the extension can be up to a further 26 weeks, but will not exceed one year in employment. The employee must be advised of the extension in writing before the expiry of the original probationary period. The decision to extend may be because the manager feels that the required standard could be attained in the near future with some additional training/support. This is likely to occur when an employee commences the unsatisfactory stage late in the probation period i.e. after 16 weeks.

9.2 Early Probation Hearing

If shortly after joining (less than 6 weeks), it is considered that an employee is unsatisfactory, or if it can be shown that poor performance was due to the fact that the probationer had misled the recruitment panel and they clearly are unable to demonstrate the necessary skills to do the job, it would be necessary to convene an early Final Formal Probation Review Hearing. The outcome of the hearing may be dismissal.

9.3 Capability and Attendance Issues relating to a Disability

Consideration must be given to whether the employee's capability or poor attendance is due to a disability and if this is the case, what reasonable adjustments may be put in place to assist the employee in being able to reach the required standard of performance or attendance. Further specialist advice should be sought from Occupational Health and HR.

9.4 Absence during the Probationary Period

The Council's annual sickness absence target should be used to determine whether the absence is acceptable. Managers should seek Occupational Health advice via HR before deciding **not** to make a probationary employee permanent. Consideration may be given to extend the probationary period. Each case should be considered individually and reasonable adjustments must be considered to ensure that staff have been given every opportunity to succeed.

The Council's target is 8 days per full time equivalent employee per annum. This target will be adjusted for employees who have a disability. If an employee has had more days off (pro rata) in their probation period than the Council's sickness target, employment may be terminated.

9.5 Allegations of Harassment and Bullying or a Grievance raised against the Manager

If the employee raises an allegation of harassment and bullying or a grievance against the manager who is leading on the probation procedure, the probation case may need to be suspended so that the allegation can be investigated. Alternatively, it is preferable, dependent on the allegations, to allow the probation procedure to continue and allocate the case to another manager.

9.6 Misconduct (including Gross Misconduct)

In certain circumstances of misconduct occurring during probationary service, employment may be terminated prior to the end of the probationary period. In these cases a brief period of suspension may be necessary whilst an investigation takes place. After the investigation a Formal Final Probation Review Hearing will take place to consider the outcome of the investigation and the manager will make a decision on whether to terminate the employee's employment.

12. 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 that item, there would be disclosure to individual employees and information relating to:

FINANCE AND RESOURCES: Overview & Scrutiny Committees: Work Programmes 2013/14

Date:	Report Deadline	Items:	Type:	Contact details:	Background information
<p>5 February 2013 Joint OSC meeting</p>	<p>24 January 2013</p>	<p>Budget 2013-2014</p> <p><i>Ideally no further items to be added</i></p>	<p>SC</p>	<p>S Marshall, Corporate Director Finance & Governance J Deane, Assistant Director , Finance & Resources</p>	
<p>5 March 2013</p>	<p>20 February 2013</p>	<p>Revenue & Benefit</p>	<p>PM</p>	<p>J Deane, Assistant Director, Finance & Resources</p>	
		<p>Shared and Outsourced Update Report – Customer Service Centre Gateway</p>	<p>SC</p>	<p>D Gill, Group Manager – Partnerships & Citizen Insight</p>	
<p>4 June 2013</p>	<p>21 May 2013</p>	<p>Quarter 4 Performance & Operational Risk Register Reports</p>	<p>PM</p>	<p>S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director - Strategy & Transformation, Community & Organisation J Deane, Assistant Director, Finance & Resources</p>	
		<p>Quarter 4 Risk Management Report 2013/14</p>	<p>PM</p>	<p>Linda Dargue, Insurance & Risk Manager</p>	

		Quarter 4 Provisional Financial Outturn Report 2013/14	PM	James Deane, Assistant Director, Finance & Resources	
		Shared and Outsourced Update Report – Customer Service Centre Gateway	SC	D Gill, Group Manager – Partnerships & Citizen Insight	
2 July 2013	19 June 2013	Shared and Outsourced Update Report – Customer Service Centre Gateway	SC	D Gill, Group Manager – Partnerships & Citizen Insight	
3 September 2013	21 August 2013	Quarter 1 Performance & Operational Risk Register Reports	PM	S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director - Strategy & Transformation, Community & Organisation J Deane, Assistant Director, Finance & Resources	
		Quarter 1 Forecast Financial Outturn Report 2013/14	PM	J Deane, Assistant Director, Finance & Resources	
		Quarter 1 Risk Management Report 2013/2014	PM	Linda Dargue, Insurance & Risk Manager	
		Shared and Outsourced Update Report – Customer Service Centre Gateway	SC	D Gill, Group Manager – Partnerships & Citizen Insight	
8 October 2013	24 September 2013	Shared and Outsourced Update Report – Customer Service Centre Gateway	SC	D Gill, Group Manager – Partnerships & Citizen Insight	

5 November 2013	22 October 2013	Quarter 2 Performance & Operational Risk Register Reports	PM	S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director - Strategy & Transformation, Community & Organisation J Deane, Assistant Director, Finance & Resources	
		Quarter 2 Forecast Financial Outturn Report 2013/14	PM	J Deane, Assistant Director, Finance & Resources	
		Quarter 2 Risk Management Report 2013/2014	PM	Linda Dargue, Insurance & Risk Manager	
		Shared and Outsourced Update Report – Customer Service Centre Gateway	SC	D Gill, Group Manager – Partnerships & Citizen Insight	
7 January 2014	17 December 2013	Quarter 3 Performance & Operational Risk Register Reports.	PM	S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director - Strategy & Transformation, Community & Organisation J Deane, Assistant Director, Finance & Resources	
		Quarter 3 Risk Management Report 2013/2014	PM	Linda Dargue, Insurance & Risk Manager	
		Shared and Outsourced Update Report – Customer	SC	D Gill, Group Manager – Partnerships & Citizen Insight	

		Service Centre Gateway			
4 March 2014	20 February 2014	Shared and Outsourced Update Report – Customer Service Centre Gateway	SC	D Gill, Group Manager – Partnerships & Citizen Insight	

Future Items

Quarter 4 – Risk Management Report – Linda Dargue – Date to be confirmed.

PM – Performance management PD – Policy Development SC - Scrutiny

MINUTES

FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

30 OCTOBER 2012

Present:

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

Also in attendance: Councillor Harden – Portfolio Holder for Residents and Regulatory Services and Councillor Tiley – Portfolio Holder for Finance & Resources

Officers:

Steve Baker	Assistant Director – Legal, Democratic & Regulatory Services
Janice Milsom	Assistant Director – Strategy & Transformation, Community & Organisation
Shane Flynn	Assistant Director – Finance & Resources
David Gill	Group Manager – Partnerships and Citizens Insight
Paul Twine	Interim Project Manager – CSU Project
Jim Doyle	Group Manager – Democratic Services
Linda Dargue	Insurance & Risk Manager
Ben Hosier	Group Manager – Commissioning, Procurement & Compliance
Matt Rawdon	Human Resources Team Leader
Sally Marshall	Corporate Director – Finance & Governance
Louise Collins	Member Support Officer (Minutes)

The meeting started at 7.30pm.

OS/209/12 MINUTES

Councillor W Wyatt – Lowe referred to the previous set of Minutes of the meeting held on 04 September 2012 and asked if his comment on Page 8 referring to proportion of costs could be deleted.

Minutes of the meetings held on 04 September 2012 were then confirmed by the members present and were then signed by the Chairman.

OS/210/12 APOLOGIES FOR ABSENCE

An apology for absence was received on behalf of Councillor Marshall and Organ. Councillor White was not present at the meeting.

OS/211/12 DECLARATIONS OF INTEREST

None

OS/212/12 PUBLIC PARTICIPATION

None

**OS/213/12 CONSIDERATION OF ANY MATTER REFERRED TO THE
COMMITTEE IN RELATION TO CALL-IN**

None

**OS/214/12 QUARTER 2 PERFORMANCE & OPERATIONAL RISK REPORT
2012/13 – LEGAL GOVERNANCE AND DEMOCRATIC SERVICES**

S Baker introduced the Quarter 2 Performance & Operational Risk Report. He highlighted the key areas that were taking place within Democratic Services. He said that the Canvass commenced three months earlier this year in order to produce the new Electoral Register (published on 16 October 2012), which will be used for the Police and Crime Commissioner elections in November 2012. Just over 60,000 properties had forms sent to them from the canvass, 25,985 electronic (online sms/text; telephone) responses had been received setting out “No changes”; with 31,202 paper forms returned, scanned and new details recorded.

Key points of discussion

S Baker referred to Page 4, 2.2, and congratulated Member Support for all of their efforts and organisation over the quarter with regards to Minutes, Agendas, Daytime/ Evening Meetings.

J Doyle informed the Committee that 2 of 10 briefings for Presiding Officers had been completed with 71 buildings being occupied and 96 polling stations in total. He mentioned that there would be an expected turnout of 15-18% which is not considered to be great, however preparations are under way to ensure that safety issues are made a priority. All ballot papers will be stored overnight and then taken to Broxbourne Council for the Count process.

S Baker mentioned that one of the objectives for Legal Governance in 2012/13 is to maintain its Lexcel accreditation which was achieved in 2011/12. He informed the Committee that the renewal assessment had been carried out in is will be renewed.

S Baker referred to the PLP (Public Law Partnership) and highlighted that there had been an immediate saving of over £3k in the first year due to the discount which PLP had negotiated with its supplier on on-line legal sources. He said that Legal Services had been able to maintain resilience by appointing Eversheds as the Council’s Legal Advisors for the PSQ project.

The Chair thanked S Baker and J Doyle for their comments on the report.

Councillor W Wyatt – Lowe made a comment regarding notices placed in the Civic Centre and pointed out that a lot of them were out of date. He asked if these would be renewed in the near future. He also referred to the work that Member Support had carried out during

Quarter 2 and asked if this was specific to just Scrutiny meetings or if it applied to all the Committee meetings.

J Doyle replied that all the work which is carried out by Member Support is not directed to just the Scrutiny Committee's but also to the smaller ones as well. J Doyle also confirmed that he would look into the notices in the Civic Centre to get them updated with the correct information on them.

Councillor Adeleke referred to page 4 2.2, and commended all the work that Member Support carry out for Councillors. He asked the Group Manager for Democratic Services if he was happy with the level of staffing and the level of workload that the staff have.

J Doyle said that he was fully staffed at the moment and that all of his staff were capable of taking on additional duties such as helping out electoral registration with the Police and Crime Commissioner Election taking place in November. He confirmed that this extra help did not put a strain on any of his colleague's workload.

The Chair offered his personal thanks to Member Support for all of their hard work.

Actions:

- J Doyle to look into the notices in the Civic Centre and check that they are updated on a regular basis.

Outcome:

The report was noted.

**OS/215/12 QUARTER 2 PERFORMANCE & OPERATIONAL RISK REPORT
2012/13 – PERFORMANCE, IMPROVEMENT & TRANSFORMATION**

J Milsom introduced the Quarter 2 Performance & Operational Risk Report. She informed the Committee that for this quarter all service indicators were within tolerance levels. Each service area had service plans in place to help them move forward in Customer Services. J Milsom explained that she had been working closely with David Hickman who has carried out detailed work to help identify detailed customer information within the CSU.

J Milsom thanked Members for attending all events, in particular the flexible working project – now branded as Dacorum Anywhere. She pointed out that the number of calls outstanding at the ICT Helpdesk had improved to just over 70 from an original figure of 400 plus calls. J Milsom mentioned that the HR team are supporting a wide range of corporate projects which in effect has had a great impact on the Dacorum Anywhere programme. She also highlighted that there was ongoing training for all managers to ensure that they could successfully manage sickness absence and advise employees accordingly on all elements of employment issues.

Key points of discussion

Councillor W Wyatt – Lowe referred to the Operational Risk Register and the unrealistic low/high expectations and the lack of policy in place which appears misleading.

Councillor W Wyatt – Lowe asked if there was a policy on misleading statements and J Milsom replied that she would investigate and get back to Councillor W Wyatt – Lowe as she was unable to answer his question at that time.

Councillor Ayling referred to the work carried out on ICT Service Helpdesk and congratulated them for all their hard work on reducing the number of outstanding calls.

Actions:

- J Milsom to respond to Councillor W Wyatt – Lowe.

Outcome:

Members noted the performance for Quarter 2 2012/13.

OS/216/12 QUARTER 1 & 2 PERFORMANCE & OPERATIONAL RISK REPORT 2012/13 – FINANCE & RESOURCES

S Flynn summarised the Quarter 1 and 2 Performance and Operational Risk reports for Finance and Resources. He highlighted that there were 3 indicators that were in red;

- CPO2 – Percentage arrears on commercial property rents, of which he said that he was not majorly concerned with as this tends to right itself towards the end of the year;
- FIN03 - General Fund expenditure outturn forecast against budget, which was showing an underspend at this stage but will be reviewed as part of 2012/13 budget setting and discussed under a separate item on the agenda; and
- RBF 01 - Average time taken to decide a new claim for Housing Benefit or Council Tax Benefit, the reasons for which were to be discussed under a separate item on the agenda

He also said that a long standing red indicator (payment of creditor invoices within 30 days) was is now showing green for the first time this quarter and commended the work of the Creditor payment steam in achieving this.

S Flynn also stated that there were three risk scores that had been changed in the sub-directorate's risk register:

- FR_F05 – Opportunity to generate additional income from commercial assets under localism agenda (Risk score increased from 4 to 6).
- FR_F05 – Opportunity to generate additional income from commercial assets under localism agenda (Risk score increased from 3 to 6).
- FR_I02 FR R01 – Lack of understanding of financial management across the Council (Risk score increased from 4 to 9).

The first two were changed to reflect the fact that there had been long delays in the publication of relevant regulations and, now that they have been published, the opportunities presented by localism have diminished. The third was to reflect the Council's increasing focus on project management as a means of delivering objectives, and not as a reflection of any decline in financial management for budget management and service delivery purposes. Financial skills for project management need to be increased across the organisation and Financial Services had a role to play in achieving that.

Key points of discussion

Councillor W Wyatt – Lowe said that he was aware of some Community Centres who are funding themselves, one in particular in Apsley which had been promised that it would be looked some several months ago. He asked if this would now be made a priority.

S Flynn said that he would speak to Mike Evans with regards to the leases as this is an area of interest that would fit in with the Localism Bill. He confirmed that he would come back to the Committee with a full response.

Councillor Adeleke referred to page 25, 2.6 and asked if the officer could expand on their involvement on the projects mentioned.

S Flynn confirmed that Mike Evans was in charge of certain elements of the land assembly and operational aspects of it. He said that Finance and Resources is involved in housing and procurement of new housing contracts. They provide expertise to support services which sometimes can have a detrimental impact on resources available.

Councillor Doole pointed out that at the last Finance & Resources meeting on 04 September 2012, it was highlighted to the Committee that the Risk Registers would be tracked on a regular basis. This report for Quarter 2 has proven to be far more successful and commended the officers for all their hard work and efforts.

S Flynn thanked the Councillor for his comments.

The Chair offered his personal thanks to Member Support for all of their hard work.

Actions:

- S Flynn to provide the Committee with regards to leasing arrangements for community centres.

Outcome:

The Committee noted the report.

OS/217/12 QUARTER 2 FINANCIAL OUTTURN REPORT 2012/13

S Marshall introduced the Quarter 2 Financial Outturn Report for 2012/13. She highlighted special attention to page 38 2.2, surrounding the General Fund Service Expenditure and said that it was forecast to be under budget taking into account the forthcoming budget in 2013/14. These items would be a one off and therefore not to be repeated.

There was great emphasis on employee's expenditure of £218k being under budget. This was due to employees opting out of the Local Government Pension Scheme (LGPS), and underspends in Customer Service Unit (CSU) and Revenue and Benefits.

S Marshall referred to employees opting out of the Local Government Pension Scheme (LGPS) and said that this was a major area for concern. However, from October 2013 there will be an automatic enrolment for all new staff with the option to opt out if requested.

Key points of discussion

The Chair thanked S Marshall for her report.

The Vice – Chairman said that he couldn't understand why employees would opt out of the Local Government Pension Scheme (LGPS). He asked the officer if she had cause for concern over the implications that the costs would have on the Council as a whole or directly with the pension scheme.

S Marshall said that long term they needed employees to opt into the pension scheme as a safe guard. Opting out of the pension funds could have a knock on effect on the national pension funds.

The Vice – Chairman asked S Marshall if there was a way of monitoring this information from staff to get a better understanding and to evaluate the effects of opting out of the Local Government Pension Scheme (LGPS).

S Marshall confirmed that there would be a triennial review taking place next year 2013 to review the employee contributions. She also confirmed that another report would be produced in December 2013 where changes could be made.

The Vice – Chairman referred to the live projects and the slippage that had occurred in the capital expenditure and asked if she could explain why there was a need to focus on this and if this still occurred.

S Flynn reported that there were three main changes to the capital programme.

1. The Capital projects are now split by OSC to offer Members with more clearer information;
2. Only one year's position is reflected to focus on how robust the forecast outturn position might be and highlight slippage within the year; in the past, the report showed the position over the five years of the programme but four of those five years would not change.
3. Potential slippage can be distinguished from potential underspend on each project to identify the accuracy of the initial project costing, and the potential savings arising.

The Vice – Chairman reported that 12 months ago the capital programme was not spent. He asked what reasons there were for this and if a problem occurs to actively deal with it and not ignore it.

S Flynn said that a separate report on slippage goes to the Audit Committee each year and thereby provides accountability for delivery of the programme. He confirmed that work is underway to deal with these issues which have been highlighted.

Councillor W Wyatt – Lowe also referred to the terminology used in this report and asked if a glossary could be provided for Members so that they could have a better understanding of the terms used in the report.

S Marshall said that she would look into this for Members and liaise with James Deane.

Actions:

- J Deane to provide a glossary of terminology for Members with regards to the Financial Outturn Report.

Outcome:

The Committee noted the report.

OS/218/12 QUARTER 2 RISK MANAGEMENT REPORT 2012/13

L Dargue introduced the Quarter 2 Risk Management Report 2012/13. She mentioned that there had been no change to the risk scores for the Strategic Risk Register and that they were being managed appropriately.

Key points of discussion

Councillor W Wyatt – Lowe referred to the Strategic Risk register on page 57, M2 customer needs. He pointed out that this should be the main focus of the report and that it is important we listen to what a customer says they want rather than what they need.

S Flynn said that the Council had carried out a good deal of work on health and equality recently and the outcome of this would help to focus attention of needs.

Councillor Tiley referred to Councillor W Wyatt – Lowes comment on Reputational Risks and confirmed that all of the information required is in the report. He asked if this could be refined for all Members.

Outcome:

That the report is noted and recommended to Cabinet for approval.

OS/219/12 SHARED AND OUTSOURCED UPDATE REPORT – CUSTOMER SERVICE CENTRE AND GATEWAY

D Gill summarised the report and highlighted the work that has begun in the CSU. At the September Overview & Scrutiny meeting, a presentation was presented to Members outlining the process undertaken and the aspirations for the service and a summary of the risk assessments. He confirmed that the documentation that has been produced highlights what the future service should look like.

D Gill referred to the work on the Invitation to Tender (ITT) due to be dispatched to the short-listed tenderers on 31 October 2012. The steer, comments and suggestions of OSC at the meeting of 30 October 2012 had enabled Officers to incorporate more rigour in the ITT documentation, including the legal instruments for the contract, performance framework, payment mechanism and consolidate the Innovation and Improvement projects from the original 8 projects to 2 projects focused on Channel shift and Customer Relationship Management system (CRM). He confirmed that a report on the outcome of the ITT would be taken to Cabinet in March 2013. Should Cabinet award the contract externally a period of 3-6 months will allow appropriate consultation and contract mobilisation before a “go live” date by October 2013.

The Chair thanked D Gill for his report and said that all comments and suggestions had been taken on board.

Key points of discussion

Councillor Taylor thanked D Gill for his comments. He asked the officer if he could explain what was meant by the term benchmarking.

D Gill apologised for the term used and said that there was two definitions.

1. How the Council measures operational performance. They will be looking at similar services for comparisons across the public sector and neighbouring Council's.
2. In the invitation to tender it referred to a Benchmarking Review, (referred to in the past as a Value for money) review which would include cost, performance, quality and staff.

Councillor Taylor asked D Gill what we were comparing ourselves against with the term "benchmarking".

D Gill reassured the Members that a Public Sector Comparator (PSC) was being developed to use as a benchmark when recommending the best option to Cabinet. Only after Officers have completed the ITT evaluation exercise and established a preferred bidder would the PSC be used to formulate the recommendations to Cabinet.

J Milsom pointed out to Members that in order for us to provide this service would require the Council to invest in this service. The budget would need to be looked at as well as the speed at which we would be able to carry out the changes that were necessary. Comparisons will be made on the final report of the overview of the recommendations.

The Vice – Chairman asked the officer to explain how much savings could be saved if the service level stayed at 20-30%.

P Twine said that it was important for the Council to recognise that in the early years of the outsourced contract the costs may be higher than if the service remained in house however the implementation of innovation and improvement projects i.e. channel shift and CRM, would seek to reduce the costs of the Council in the medium to long – term. This would be audited after the third anniversary when conducting the independent Benchmark Review. Therefore at this time it is not possible to indicate the savings from outsourcing, however this should be clearer once the tenders have been received back and evaluated.

Councillor Harden confirmed that the volume of calls that have come into the Council have been in the region of 700-800,000 and the customer centre; 354,000, face to face queries 50-60,000. He said that in the performance management framework they are expecting to shift the channels customers use to contact the Council for example move 20% of payment calls to an automated call system. 40% of transactions through the Councils website by 3rd/4th year of the contract which is a significant number. He said that the Council can improve on their services that they offer customers. However by having the use of an external provider would mean that the changes in how customers contact the Council got actioned in a quicker time frame therefore benefiting the Council and the customer.

Councillor Collins asked how many of the 65,000 face to face enquiries are repeat visits. He asked if there was a way of analysing this information.

D Gill said that he would find this information out. He said that an analysis had been carried out to find out what customers queries related to. Many of the queries could have been dealt with on the self service desk freeing up more time for staff to help customers with other queries.

The Vice – Chairman asked if the Council had considered getting in a consultant to show us how to channel shift ourselves.

J Milsom confirmed that part of the work is already being carried out by P Twine and further work is being carried out by consultants Davis Hickman specialists in Customer Experience analysis, which had already identified opportunities for queue busting in the CSU. J Milsom said that P Twine has opened up the Council's eyes as to what the CSU could look like. An external agent has not been costed as of yet as this would involve resourcing costs.

P Twine said that D Gill's team are all focused on providing members of the public with the best services that they can. However he mentioned that it would be far cheaper for those customers who can call up on an automated payment line than to call the CSU with their queries or, better still, if customers used the on line payment facility it would cost even less. The time saved could be better used by Customer Service Representatives to support those more vulnerable customers and those where more detailed attention is required.

Councillor Adeleke asked if there is a comparison made with other Council's before a consultant is brought on board.

P Twine pointed out that he was brought on board for that very reason. He said that his previous experience from working in other Council's and other Public Sector organisations meant that he could ensure that only the best practises could be brought in. P Twine highlighted that it was important to look at the end-to-end customer experience going forward and that the current customer satisfaction results gave a view of only the interaction with a Customer Service Representative, not the whole end-to-end experience when dealing with the Council. He also commented that by looking at the outputs from the Council e.g. application forms, publications, letters, bills, that stimulated customers to make contact, there were opportunities to avoid much of the current contact and reduce the repeat enquiries and calls made to the CSU.

Councillor Ayling referred to Councillor Adeleke's comment on the comparisons of other authorities. He said that it was difficult to make such a comparison as different authorities have different ways of dealing with problems, so a comparison would not be a true finding in his eyes.

Councillor W Wyatt – Lowe said that he was concerned at the thought of outsourcing to an external agent. He argued that the profit would benefit the Council more if it was managed internally as opposed to externally. However, he pointed out that so far he was pleased with all that he had heard in the report so far.

The Chair thanked the officers for all of their hard work on presenting their report to the Committee.

Actions:

- D Gill to inform Members of findings of analysis of customer enquiries received in the CSU.

Outcome:

That the report was noted.

The Vice – Chairman left the meeting at 9.10pm.

OS/220/12 REVENUE & BENEFITS

S Flynn presented the Revenue & Benefits report to the Committee. He mentioned that the Revenues, Benefits and Fraud services face a period of significant change over the next financial year. There will be a significant amount of planning and preparation which will require resources from within the service.

Key points of discussion

Councillor Tiley commented on the Revenues and Benefits report and said that he was happy with the content of this report and the additional information which was provided to Members at the last minute.

The Chair also agreed with Councillor Tiley's comments and said that the officers had produced a very thorough report for Members.

Councillor Adeleke referred to page 70 and the (57% & 85% increase) on productivity and asked the officer if he could explain what the rate of errors was to date and if the figures had gone up, gone down or remained the same.

S Flynn said that the data produced to date was insufficient to answer this question and he would pass this onto Nicola Ellis to fill in the gaps. However he said that quality control was a key element in the performance improvement work that was going on within the service and that figures on accuracy would be provided in the future reports.

Both Councillor W Wyatt – Lowe and Councillor Taylor congratulated the officers on their report.

Actions:

- Nicola Ellis to provide Members with information on productivity figures at future committees.

Outcome:

That the report was noted.

OS/221/12 EXCLUSION OF PUBLIC

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:

OS/222/12 WORK PROGRAMME 2012/13

The Chair informed the Members that there will be a slight amendment to the OSC budget process this year. Therefore the following programme has now been agreed:

- **13 December:** Joint Member briefing (as none of the OSC's have any further items on their OSC agenda's for this date, the joint OSC meeting can be changed to a briefing)

- **16 January:** Prior to Full Council (6pm – 7.30pm) Member briefing. Full Council will then begin at 8pm.
- **5 February:** Joint OSC budget meeting (joint briefing followed by the 3 individual meetings, as done in past years).

All members were in agreement to add the “Sportspace Annual Finance Report” item to the meeting on 30th January 2013.

Actions:

- L Collins to circulate M Anderson’s e mail to all Councillors informing them of the change of dates and times.
- L Collins to provide all Members with a draft copy of the minutes from the meeting for comments.

The meeting ended at 9.30pm.