

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.

Dave Gill 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 Councils 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 requires 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 9.30 pm