

MINUTES

FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

31 JANUARY 2012

Present:

H Chapman (Chairman)	Marshall
Adshead	Organ
Anderson	Taylor
Clark	Townsend (Vice-Chairman)
Douris	White
Elliot	W Wyatt-Lowe

Also in attendance:

Councillor Ayling, Portfolio Holder for Service and Performance Improvement
Councillor Tiley, Portfolio Holder for Finance and Resources

Officers:

Steve Baker	Assistant Director – Legal, Democratic and Regulatory Services
Linda Dargue	Insurance and Risk Manager
Shane Flynn	Assistant Director – Finance and Resources
David Gill	Group Manager – Partnerships, Policy and Citizen Insight
Chris Gordon	Group Manager – Performance, Policy and Projects
Ben Hosier	Group Manager – Commissioning, Procurement & Compliance
Noele Pope	Group Manager – Legal Governance
Pauline Bowles	Member Support Officer (Minutes)

The meeting started at 7.30pm

OS/022/12 MINUTES

The minutes of the meetings held on 22 November and 14 December 2011 were confirmed by the members present and were then signed by the Chairman.

OS/023/12 APOLOGIES FOR ABSENCE

1. Apologies for absence were received on behalf of Collins and Doole.
2. Councillor Elliot substituted for Councillor Collins and Councillor Anderson substituted for Councillor Doole.

OS/024/12 DECLARATIONS OF INTEREST

1. Councillor Douris declared a personal interest in Item 14 – Procurement Review. He is a shareholder and owner of a company that occasionally supplies goods to the Council.
2. Councillor Adshead declared a personal interest in Item 11 – Update on Hemel Hempstead Street Market. He is a member of the Town Centre Partnership

OS/025/12 PUBLIC PARTICIPATION

None

OS/026/12 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN

None.

OS/027/12 PROCUREMENT UPDATE

It was agreed for this item to be deferred until the next meeting of the Finance & Resources Overview & Scrutiny Committee due to Appendix 1 being omitted from the report.

Ben Hosier confirmed that this item was considered by Cabinet on 13 December 2011 where the recommendations from the external report were accepted and can be implemented through the action plan. A further report relating to outside shared services will go back to Cabinet once additional information is received.

OS/028/12 RISK MANAGEMENT QUARTER 3 UPDATE

L Dargue summarised the quarter 3 reports on the Strategic Risk Register and the Operational Risk Registers. It was highlighted that CMT have suggested that along with the overall Risk Management report being submitted to the Finance & Resources OSC the individual Operational Risk Registers will go to the relevant Overview & Scrutiny Committees for that area. This suggestion is also supported by the Audit Committee.

Key points of discussion

Councillor W Wyatt-Lowe asked about the decision making process for determining the level of risk and how is it decided that something is severe in its impact. L Dargue replied that the individual Director and Assistant Director would, as part of their Service Plan look at their objectives and considers what might prevent them from achieving these objectives and considering the worse case scenario what controls is in place to minimize the risk. The scoring is subjective and is there as a guide to identify high risk areas. For consistency there are criteria within the guide to managing risk that sets out the sorts of things that could be construed as anything from severe to highly unlikely.

Cllr Anderson asked about the consistency across different Portfolios. L Dargue replied that in some areas (for instance) of Health and Safety, there is more chance of an accident occurring; such as refuse collecting as opposed to office work and so the risk scoring will be very different.

The Chairman asked if CorVu risk scores could be used within the main body of the report for ease of reference. This was agreed to.

Councillor Douris referred to the residual risk score. He pointed out that the PDR_F01 (Market fails to bring forward because of continuing economic uncertainty) shows a red 12 but should be an amber 9. He said his concern was that risk management tries to minimise the slip and a number of small slips at the same time can accumulate to a disaster. He was also concerned about the limited comments from the Risk Owner.

L Dargue replied that if further explanation is needed on any item it would come from the individual officer responsible for the comment. L Dargue said she would discuss

this point with the Corporate Risk Group.

Councillor Townsend referred to PDR_F03 (Key income streams do not meet planning fees, building regulations and local land charges income budgets). He asked for further information about the red 12 and said that any items with a high residual score should have expanded explanation.

Councillor Tiley responded to the query on PDR_F03 and said that this has been budgeted for in next years budget that there will be no increase and the risk has been managed away. The risk needs to be looked at in the context of the Council budget in totality rather than the budget holder.

The Chairman endorsed the suggestion for more information on high risk items in future.

Actions:

- L Dargue to include CorVu risk scores within the main body of future reports.
- L Dargue to discuss with the Corporate Risk Group about expanded explanation for items with a high residual risk score.

Outcome

That the content of the report is noted and recommended to Cabinet for approval together with any associated comments

OS/029/12 QUARTER 3 PERFORMANCE REPORT - PERFORMANCE, IMPROVEMENT AND TRANSFORMATION DIRECTORATE

The quarter 3 performance information for the Directorate was considered.

Key points of discussion

Councillor Douris referred to the new operating system for the Customer Service Unit (CSU) and said that it felt as if the service was being reactive rather than proactive in its implementation. He felt that the issues around the CSU had been going on too long and the service needs to make sure it is put right.

D Gill explained that when the Rapid Improvement sessions were held for staff, CSU staff asked for the back office staff to be trained so that they are able to offer a better service to customers. New CSU staff take about 9 months to become fully trained but they are put onto the phones relatively quickly to do the more simple transactions. The CSU was not expected to be involved with the new system for Housing re-registration, but the level of help required by the applicants was far greater than expected and the entire Council was caught off guard. A post implementation review has been carried out so that staff are better prepared for future developments.

Councillor Anderson asked if there were any plans for improving the situation. David Gill replied that these are complex problems and involve Council procedures but it is hoped that the IT improvements that are planned over the next few months will improve the system. A number of issues have been picked up, such as the Customer Relationship Management system that was not working particularly well and costing the Council a lot of money and so a decision was taken to get rid of this system and have a look at an alternative solution. Another area being looked at is 'avoidable contact' such as people phoning to report a missed bin that is regarded as avoidable

because the bin should have been emptied in the first place. Signage at the front of the Civic Centre is being improved to better direct customers around the building.

Councillor Anderson asked if more resources were needed. D Gill replied that there are issues around staffing; there is a difficulty in attracting trained staff and this means improving our recruitment procedures and then training staff from start to finish. The CSU is generally seen as an entry level job and those staff that are seen to be particularly able will tend to move on relatively quickly.

Councillor Marshall referred to the level of assistance needed in the renewing of housing applications online. She asked if there were any figures and asked if additional help was provided for the CSU. David Gill replied that the initial expectation was that the CSU would not be involved and that when customers came into the Civic Centre they would use the self-service computers to re-register. Everyone was surprised at the large number of people coming in to re-register. They were generally queue busted and directed to the machines and so were not recorded in the same way. It was estimated to be 20-30 a day and this had a knock on affect for the CSU staff. Housing did respond once they realised what was happening by holding drop-in sessions which did assist.

Councillor W Wyatt-Lowe queried the sickness figures which he said in paragraph 3.1 of the report indicated the levels were rising and yet under HR05 shows an improvement. C Gordon said the figures relate to two different things but offered to get back to Councillor W Wyatt-Lowe with clarification.

Councillor Marshall asked if the role of voluntary Tree Warden was still in place. David Gill replied that this role was covered by Resources and Finance Directorate and would find the details out from Heather Waller.

Actions:

- C Gordon to provide clarification to Councillor W Wyatt-Lowe on the sickness absence figures.
- David Gill to provide an update to Councillor Marshall on the voluntary Tree Wardens.

Outcome

The performance for quarter 3 was noted and the comments noted above taken into consideration.

OS/030/12 QUARTER 3 PERFORMANCE REPORT - LEGAL GOVERNANCE AND DEMOCRATIC SERVICES

S Baker introduced the quarter 3 performance information for the Legal Governance and Democratic Services. He gave apologies for the Group Manager (Democratic Services) who was attending another meeting.

Attention was drawn to CA02 – Indicators related to complaints. S Baker explained that the percentage of complainants satisfied with the outcome of the complaint is still showing red and this is due to the ambitious target of 70%, but there has been a marked improvement to 62½% over the last quarter. The indicator for satisfaction with the handling of the complaint is green at almost 80% and this is the 2nd quarter of an upward trend. The next stage of the Customer Complaint process involves new software which can give more sophisticated information about complaints and improve

the service. S Baker asked the Committee if they wished to request Jim Doyle to bring a report on this matter to the next quarterly meeting. This was agreed.

Key points of discussion

Councillor Taylor referred to the sizeable Data Protection request reported under DPA01 and asked how big this actual exercise was. N Pope responded and said that this was a very large exercise. It was one person asking for a great deal of information that all of it had to be gone through because there was sensitive information not relating to that person which could not be disclosed.

Councillor Tiley asked if there was a method of screening complaints and an opportunity to deal with vexatious enquiries versus the cost of responding. N Pope replied that the Council has a duty to assist. The law is framed in favour of the person requesting the information, whether the request is of a non personal nature under the FOI Act or of a personal nature under the Data Protection Act. It's very difficult to say that a request is vexatious; the bar is very high and the Council has to be seen to be transparent and helping people as much as possible. The person in this case had had a lot of dealings with the Council and was entitled to ask for the information. There are certain powers the Council has in relation to the cost but again the Council has to consider the matter carefully. The powers, profile and role of the Information Commissioner's Office are ever increasing with the government's transparency agenda.

Councillor W Wyatt-Lowe asked how the question to complainants about satisfaction was phrased. S Baker replied that the questions about the way the complaint was handled were asked by the CSU and a range of questions were asked in relation to how the complaint was handled, such as: the timeliness and the civility of the answers. S Baker said he was not sure about the questions asked of the complainants in regard to the outcome but would find out and get back to the Committee.

Actions:

- S Baker to provide clarification to the Committee about the questions asked of the complainant in regard to their satisfaction at the outcome of their complaint.
- An update report on complaints from Jim Doyle to the next quarterly meeting.

Outcome

The performance for quarter 3 was noted and the comments noted above taken into consideration.

OS/031/12 QUARTER 3 PERFORMANCE REPORT - FINANCE & RESOURCES DIRECTORATE

S Flynn introduced the quarter 3 performance information for the Directorate. He explained that despite an improvement in CPO2 (Percentage arrears on commercial properties) it is still showing as red and this will be kept under review to see what impact the recession is having on commercial rents. This particular red indicator is partly due to the timing of invoices and will change in the next quarter. ACC01 (Percentage of creditor trade invoices paid within 30 days) is still showing red. James Deane gave an explanation for this indicator at the November meeting and it can be

seen that this is not just a seasonal adjustment and the Council need to do some work to improve matters.

S Flynn highlighted RBF01 and RBF02 (Average time taken to decide claims for Housing Benefit or Council Tax). He said this is more serious and is due to the significant rise in the number of claims received. For the first time this has risen to 11,000. The Atlas direct reporting system gives us data directly from central Government which is designed to make things simpler but is actually making things harder. There are also issues around IT but these are being addressed. There is a plan to address the backlog but this will cost around £20,000 for external resources. The intention is to clear the backlog before billing season.

Key points of discussion

Councillor Marshall referred to ACC01 and asked if it was feasible to split the figures for the payment of invoices into what needs to be paid within 30 days as opposed to 60 days which will give more of an indicator to whether the targets are being reached. S Flynn said he would look into whether it was possible to split the figures.

Councillor Marshall asked a further question about reducing the number of invoices sent out; such as quarterly rather than monthly for regular services. S Flynn replied that this depends on a purchase order process being properly embedded but it was a welcomed suggestion.

Councillor Douris referred to CP01 and asked if the figures included unpaid commercial rents from a company going into receivership. S Flynn said he would expect it to remain as part of the indicator until it had gone through the write-off process. An indicator on the levels of write-offs is being created in due course.

Councillor Townsend referred to RBF01 and asked S Flynn if he was confident that the backlog could be cleared. S Flynn replied that the back log needed to be cleared so that staff can devote time to the processes. He added that there is a company called Liberator that are looking at performance of assessors; what are the steps of the process, how long does it take to go through each process and what can be taken out of the process or improved. This should get us to the stage where we are hitting the targets more regularly.

Councillor W Wyatt-Lowe referred to ACC01 and noted that there was a 20% increase over the previous quarter that may be seasonal. He asked if in future the report could include comparable figures for the previous year to see if the trend is normal. S Flynn said that other reports are produced by CorVu for other purposes that show trend data and it should be available if Members wished to see it. The Chairman agreed that this data would be beneficial.

Outcome

The performance for quarter 3 was noted and the comments noted above taken into consideration.

OS/032/12 SHARED AND OUTSOURCED SERVICE UPDATE

C Gordon introduced the report on the progress of the Shared and Out Sourced Services Project. He informed Members that the Occupational Health contract has been agreed and signed and that the service is also working with Liberata to develop the Revenue and Benefits contract and look at efficiencies for that service. The

Facilities Management business case from Serco was submitted to Cabinet in December and further details will go back to Cabinet in March. A market testing exercise is taking place for the CSU to consider splitting the service into four: The Call Centre, Face to Face and Reception, Website and Customer Relationship Management. Finally, in regard to ICT; the service is working with Aylesbury District Council to develop a partnership model for the two authorities.

Key points of discussion

Councillor Townsend asked about the implications for the staff involved in the Facilities Management proposals being transferred to Serco. C Gordon confirmed that it does involve a TUPE situation for the nine members of staff involved and also three FTE cleaning posts.

Outcome

The progress made on the Shared and Out Sourced Services project to date was noted.

OS/033/12 UPDATE ON HEMEL HEMPSTEAD TOWN STREET MARKET

An update on the open market, Hemel Hempstead was provided and comments sought on the forthcoming opportunity to identify a new street market operator. Possible strategies for evolving the street market over the next 12 months were outlined.

Councillor Tiley as the Portfolio Holder for Finance and Resources informed the Committee that the project is going through a procurement process and will go out for tender this spring/summer. He said he looked forward to seeing what the Town Centre Partnership could offer as their tender.

S Flynn clarified that the Council is not necessarily seeking a new operator and it could be that the existing operator will continue.

Key points of discussion

In response to a Comment from Councillor Adshead regarding the two options, S Flynn clarified that option 1 would bring the operation in-house and the Council would need to appoint people to operate it. This would take quite a lot of commitment and resources that we don't currently have in place. The advantage of Option 2 is that the market is very central to the town centre and any benefit arising could be reinvested into generating the town centre. At the moment any profits go into the General Fund.

Councillor Adshead queried the use of the market square. S Flynn said that the market square is used at specific times. There is a planning order on the site that will require a variation. S Flynn offered to provide details to Councillor Adshead.

Councillor Townsend asked if this proposal was inline with the Councils procurement policy. He also asked if this report was being considered by any other OSC. S Flynn replied that the report will not be going to any other OSC but it will be reported to the Corporate Working Group. In terms of procurement; the options are only just being considered at this stage.

Councillor Marshall queried the sequence of applying for a variation of the planning permission before tendering for a service and wondered if this was the wrong way round because the operators might have their own ideas as to how the market could

be arranged. S Flynn replied that the variation was required to resolve some of the problems, such as where the stalls and pitches should be and to firm up the customs and practices that have changed over the years. There will still be plenty of opportunity for suggestions that could eventually be subject to further Planning applications.

Councillor Marshall and Councillor Townsend both questioned the involvement of democratic scrutiny in this project. S Flynn replied that the report would be going to the Corporate Regeneration Group. This group has officer and member representation, including Councillor Tiley as the Portfolio Holder for Finance and Resources. Consultation exercises will be undertaken as part of the process for letting the contract.

Councillor W Wyatt-Lowe commented that he attends the monthly meetings of the Mayland Partnership and has been very impressed with Chris Taylor's team and the way they promote the image of Hemel Hempstead. He asked if this same team were involved in this project and he asked about the feasibility of bringing the operation back in-house. S Flynn replied that Chris Taylor and her team have been very much involved in this project. There would be no fundamental resource issues involved in bringing the operation back in-house and is a valid option but more work would need to be done in costing it out to get a true comparison.

Councillor Tiley reassured Members that the two Town Centre Ward Members the are extremely active in terms of the performance of the existing contract. If members want more scrutiny then they need to make recommendations.

In response to a query from Councillor Adshead regarding the Corporate Regeneration Group, Councillor Tiley said that the links to members are himself from the finance and assets point of view and Cllr Holmes in his capacity as Portfolio Holder for Planning and Regeneration. In the context of the Town Centre the CRG deals with improvements to the built environment. They will not be quite as actively involved with the market project as are the Town Centre Partnership, Mike Evans (Group Manager Commercial Assets & Property Development) and the Town Centre Ward Members.

Cllr Elliot questioned the auditing of the income from Town and Country Markets. The Chairman clarified that the Council originally ran the Market itself but Town and Country Markets took over when the Council went from a £75,000 profit to a loss. The initial deal was that they pay the Council £40,000 and a percentage of profit. The £40,000 increased over time to £55,000. The chairman asked if the Council still received a percentage of profit on top of the £55,000.

Councillor Tiley confirmed that the £55,000 was a base level plus a profit share but he said he did not know how it was audited. S Flynn commented that it is hoped that the process will result in clearer auditing arrangements.

Councillor Marshall said that she felt Option 1 would be the most sensible approach.

Actions

S Flynn to provide Councillor Adshead with details of Planning Application to vary the conditions relating to the market square.

Outcome

1. The current operating position of the open market was noted

2. Comments notes on the proposed delivery programme for the open market.
3. It was noted that a full set of options for future operation of the market will be considered by the Corporate Regeneration Group and a further report submitted to Finance and Resources OSC in July.

OS/034/12 CAPITAL STRATEGY 2011 - 2016

An update on implementation of the revised Capital Strategy for 2011/12 to 2015/16 was provided.

Key points of discussion

Councillor Townsend commented that there is still Capital slippage and felt that the Sigma 6 process was suspect. He also referred to £8.2ml funding for Self-Financing in 2013 and questioned whether that amount would have been there with or without Self-Financing to spend on housing stock. S Flynn said that some small scale projects were taken out of the programme but the whole of this strategy is about changing the focus to delivery. In terms of the HRA Self-Financing; that level of expenditure would have continued, but this is an early draft and the figures for repairs and maintenance of housing stock will grow significantly (almost double to £15-17ml from 2012/13) as a result of HRA Self-Financing.

Councillor Anderson asked if a mechanism could be set up to bid for the capital slippage for small projects that would benefit the Borough. S Flynn said that he had seen mechanisms in other councils where they have a main list of projects and a reserve list that is used in the event of slippage or re-phasing. These are usually items that would normally not get onto the programme because they are too small or not corporate enough.

Councillor Tiley said he was sympathetic to this suggestion but would rather this was looked at in the context of the budget. Councillors who represent particular areas where there is a particular need could nominate small items for the Capital Programme. Councillor Tiley asked if the Assistant Director for Finance and Resources could take this suggestion back to the Capital Steering Group to consider if a sum of money could be put into the budget each year for bidding for relatively small projects that would otherwise get missed. Councillor Tiley also pointed out that this year's budget includes information on potential spending of revenue reserves that could be used to try and stimulate economic activity within the Borough. Some will be funded from within the budget and others will be up for discussion and if necessary provided for by a supplementary budget during the year.

Councillor Marshall asked if an update could be provided on this suggestion of bids from capital slippage. This was agreed

Actions:

- The Assistant Director for Finance and Resources pass on Members comments to the Steering Group and ask them to consider if a sum of money from the end of year slippage could be put into the budget each year for bidding for small projects that would otherwise get missed.

- An update report on this suggestion of bids from the end of year slippage to the Capital Programme at a future meeting

Outcome

The report was noted.

OS/035/11 WORK PROGRAMME 2011/12 AND 2012/13

The Procurement Review, deferred from this meeting to be added as an agenda item for the next meeting.

Please note that following this meeting and with the agreement of the Chairman, the next Finance & Resources OSC meeting scheduled for 23 February 2012 will now take place on 20 March 2012. The reason for this change is that the Equalities Consultation report will not be ready until March and this will be in line with all the other OSC meetings

OS/036/12 PROCUREMENT UPDATE

Item deferred – see minute OS/285/12

The meeting ended at 9.10 pm.