

Finance & Procedures Overview & Scrutiny Committee – 13 April 2006

Minutes of the meeting of the **Finance & Procedures Overview & Scrutiny Committee** held on **13 April 2006** when there were present:-

Chairman: Cllr K H Hudson
Vice-Chairman: Cllr P K Savill

Cllr K J Gordon
Cllr Mrs S A Harper
Cllr T Livings

Cllr Mrs J R Lumley
Cllr P F A Webster

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr R G S Choppen.

OFFICERS PRESENT

R J Honey	- Corporate Director (External Services)
R Crofts	- Corporate Director (Internal Services)
S Fowler	- Head of Administrative & Member Services
R Prior	- Contingency Planning and Health & Safety Manager
M Martin	- Committee Administrator

ALSO ATTENDING

D Williams - Sungard Vivista

134 MINUTES

The Minutes of the meeting held on 23 March 2006 were approved as a correct record and signed by the Chairman.

135 DECLARATIONS OF INTEREST

Cllr Mrs J R Lumley declared a personal interest in the item on Progress on Decisions by virtue of being a trustee of the Rayleigh and Rochford Association of Voluntary Services.

136 PROGRESS ON DECISIONS

The Committee received the Schedule relating to Progress on Decisions and in response to Member questions the following was noted:-

Rayleigh, Rochford and District Association for Voluntary Services (RRAVS) – Core Funding Support (Minute 539/04)

Members were advised that as yet no discussions between key partners had taken place around capacity building in relation to RRAVS. However, it was

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anticipated that, following the appointment of a Corporate Policy Manager, this would now be progressed.

It was agreed that the Chief Executive be asked to provide Members of this Committee with a verbal update at its next meeting on 20 April 2006.

Audit Review of Corporate Governance and Risk Management (Minute 518/05)

Officers advised that:-

- a progress report on the three areas identified would be brought back to Members in June 2006.
- future update comments on Progress on Decisions schedules would provide Members with greater detail.

Outstanding issues would be carried forward.

137 SUNGARD VIVISTA PROGRESS REPORT

The Committee considered the report of the Head of Administrative & Member Services introducing the six-monthly progress report from the IT contractor, Sungard Vivista.

The Chairman welcomed Mr Williams to the meeting. In response to a Member request he provided an explanation around some of the technological terms used in Sungard Vivista's report as follows:-

- Workstation - a computer, screen, desk and telephone.
- Laptop – a lightweight mobile computer.
- Thin client terminal – consists of a box and keyboard but no processor or hard drive. As a result there is less to go wrong and it is easier and cheaper to buy and use and does not need an upgrade each year. It takes its intelligence from the server rather than the terminal itself. There was less risk of a problem affecting thin client terminals than with standard personal computers. Statistics proved that thin client was more reliable.
- Call stack – the list of calls held at the service desk in response to faults reported by customers. By reducing the stack it was possible to respond quicker, thereby reducing the backlog of calls.
- Wireless technology – the computer is no longer connected by a cable allowing the mobile user to walk around, whilst getting information from the base unit.

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- E-claim connectivity – the availability of the housing benefit claim form via the internet enabled the Council to meet one of its Implementing Electronic Government (IEG) targets.
- Exchange 2003 – a box which acts as a telephone exchange between the server and the network users.
- Skillwise – a housing benefits system that monitors training and evaluates competency of staff.

In respect of progress made since Sungard Vivista had last reported in to this Committee, Mr Williams advised that:-

- There had been a significant improvement in the service they provided to the Council.
- The call stack had been reduced, with a faster response resulting in less time offline for the customer. This led to greater productivity.
- There was improved call handling, with around 95% of calls being answered within 5 rings; this had improved user satisfaction.
- A number of projects were being progressed of which the roll out of thin client terminals would be a major one.
- Improvements were being made to the way systems work to improve business; software to undertake an automated asset audit had been installed that indicated what equipment and peripherals were attached to the system and what software they ran. This would enable quicker diagnosis of issues with specific machines and the faster roll-out of the next phase of the thin client terminals.
- A new senior area manager had been recruited who had been well received by users. However, Mr Williams indicated that one of the difficulties encountered by Sungard Vivista locally was in the recruitment of qualified staff with the right background and skills level.

In response to Member questions it was noted that:-

- Associated with the roll out of thin client terminals, sophisticated firewalls and virus protection were already in place. This would be constantly reviewed with upgrades provided as necessary.
- Capacity management was now much more cost effective, although it was still necessary to employ good housekeeping methods such as the archiving, shrinking, zipping, compression or destroying of files.
- Internal controls facilitated checking for fraudulent on line benefits claims.

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- A recent problem with the on line planning facility had occurred because, whilst 24 x 7 server support was provided, this was not the case for the software applications as issues in this area required the input of both Sungard Vivista and the third party system supplier. On this occasion, monitoring software designed to indicate when an application was down had not picked up the problem. Issues such as this caused inconvenience to the user. Vivista would continue to discuss ways of addressing this, but there would be cost implications. However this would still not address the problem of an individual application supplied by a provider who did not offer 24 x 7 assistance. The aim would always be to reduce the downtime to a minimum and currently the website as a whole was available for 98.44% of the available time. Discussions around this would be continuing.
- There were no plans to use bespoke applications, generic applications generally proved more cost effective and reliable.
- The dated Brandt Finance system would be replaced this Autumn.
- 65% of responses made to a poll conducted via the Council's web site indicated that the web site was found to be useful. A more sophisticated exit survey was also being conducted which would provide more detailed information from users.

Officers advised that in general terms it could be noted that there had been an improvement within the last six months of the contract; specifically in respect of a more organised way of dealing with customer calls and increased customer confidence in the on-site team. However, more work was needed on forward planning and strategic advice to enable the more timely introduction of major projects such as the implementation of the thin client terminals.

Vivista acknowledged that whilst the majority of users had indicated in a recent survey that they valued the service provided, there was room for improvement in certain areas.

In discussion it was concluded that six-monthly progress reports from Vivista were adequate, particularly as officers met with on site contractors on a daily basis and formal monthly contract meetings were conducted, as well as a quarterly user group meeting. However, Members requested that future update reports should contain more guidance with specific officer recommendations to inform their decision making.

Resolved

That, whilst there was overall satisfaction with Sungard Vivista's latest progress report, the Committee had some reservations and would expect to see improvements in the near future. (HAMS)

138 RISK MANAGEMENT – PROGRESS UPDATE

The Committee considered the report of the Chief Executive providing Members with an update on progress in connection with Risk Management across the Council.

As part of the ongoing process of embedding a culture of Risk Management within the authority, the comments and views of Members were now being sought, specifically in respect of the methodology planned for the review and updating of the Corporate Risk Plan.

Members noted that:-

- the external Auditors' letter of response, and the Comprehensive Performance Assessment report were still awaited and the Council's internal audit section still had to go through the Plan. Once the Plan had been reviewed properly it would be brought to Members in October 2006.
- At this stage, the 'adequacy of controls in place' column would be filled out together with the provision of appropriate evidence.
- Risks had been looked at in a subjective manner and scored accordingly.
- Recommendations from Zurich Municipal had been used to inform the Plan.
- Initially, 20 risks had been identified.
- The Contingency Planning and Health & Safety Manager would be in discussion with the Corporate Policy Manager around the issue of 'Risk Champions'.

In discussing the methodology for grading risk, and particularly the 'significant risks' identified, Members felt that item 3 – 'Significant changes to local economic or social environment' had been graded too highly while item 17 – 'High volume of staff/client fraud' had been given too low a grade. Whilst this had been their initial subjective view, officers confirmed that this area would be re-visited.

Resolved

- (1) That an update on the measure of the adequacy of the controls in place be reported to the Policy, Finance & Strategic Management Committee in October 2006.
- (2) That consideration be given to Members' concerns over the evaluation of two of the significant risks items, namely 'Significant changes to

local economic or social environment' and 'High volume of staff/client fraud'. (CE)

139 PROCUREMENT STRATEGY – SIX MONTH REVIEW

The Committee considered the report of the Corporate Director (External Services) apprising Members of the work carried out in implementing the Procurement Strategy.

It was noted that the target dates had been imposed by the Office of the Deputy Prime Minister, but that most had been met.

The Corporate Director drew particular attention to the following:-

- Action 8 – new systems evaluated and should be able to comply by Autumn 2006.
- Action 10 – had been given low priority as it was unlikely to generate significant efficiencies for the authority.
- Action 12 – an independent health check was part of the national procurement strategy which would be carried out on behalf of the Government with a cost implication.

In response to Member questions, the following points were noted:-

- Action 5 - it was not known whether the consultants report would be reported on time.
- Action 7 – the NNDR had been carried out by Chelmsford Borough Council since last June and was working well.
- A Procurement Card was similar to a credit card with more limitations. Only certain authorised officers could enter into contracts and an audit trail and internal controls are in place. The contract with the Office of Government Commerce only related to utilities.

The Corporate Director reported that, as part of the pilot scheme, this Council would receive funding from the ODPM via the Procurement Agency for capacity building. This would enable a complete review of the Sungard Vivista contract to be undertaken. Other benefits would include, for example, advice on the best method of metering for utility use. If this scheme were judged to be successful, it would be rolled out across Essex. A report on the perceptions would be brought back to Members.

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Resolved

To note the progress on the Procurement Strategy and the Procurement Agency for Essex. (CD(ES))

The meeting closed at 9.23 pm.

Chairman

Date