Alison Stuart
Head of Legal and
Democratic Services

MEETING	**:**	OVERVIEW AND SCRUTINY COMMITTEE
VENUE	**:**	COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE	**:**	TUESDAY 10 JULY 2018
TIME	**:**	7.00 PM

MEMBERS OF THE COMMITTEE: (ONE VACANCY)

Councillor M Allen (Chairman)
Councillors, D Abbott, S Bull, M Casey, G Cutting, B Deering,
I Devonshire, H Drake, Mrs D Hollebon, J Jones (Vice-Chairman),
P Moore, M Stevenson and N Symonds

Substitutes

Conservative Group: Councillors D Andrews, P Kenealy,
                           C Snowdon and K Warnell

(Note: Substitution arrangements must be notified by the absent Member to Democratic Services 24 hours before the meeting)

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DISCLOSABLE PECUNIARY INTERESTS

1.   A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:

- must not participate in any discussion of the matter at the meeting;

- must not participate in any vote taken on the matter at the meeting;

- must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;

- if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;

- must leave the room while any discussion or voting takes place.

2.   A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.

3.   The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.

4.   It is a criminal offence to:

- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
- participate in any discussion or vote on a matter in which a Member has a DPI;
- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

Public Attendance

East Herts Council welcomes public attendance at its meetings and will provide a reasonable number of agendas for viewing at the meeting. Please note that there is seating for 27 members of the public and space for a further 30 standing in the Council Chamber on a "first come first served" basis. When the Council anticipates a large attendance, an additional 30 members of the public can be accommodated in Room 27 (standing room only), again on a "first come, first served" basis, to view the meeting via webcast.

If you think a meeting you plan to attend could be very busy, you can check if the extra space will be available by emailing democraticservices@eastherts.gov.uk or calling the Council on 01279 655261 and asking to speak to Democratic Services.

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Everyone is welcome to record meetings of the Council and its Committees using whatever, non-disruptive, methods you think are suitable, which may include social media of any kind, such as tweeting, blogging or Facebook. However, oral reporting or commentary is prohibited. If you have any questions about this please contact Democratic Services (members of the press should contact the Press Office). Please note that the Chairman of the meeting has the discretion to halt any recording for a number of reasons, including disruption caused by the filming or the nature of the business being conducted. Anyone filming a meeting should focus only on those actively participating and be sensitive to the rights of minors, vulnerable adults and those members of the public who have not consented to being filmed.

AGENDA

1. Apologies

    To receive apologies for absence.

2. Minutes (Pages 7 - 22)

    To approve as a correct record the Minutes of the meeting held on 19 June 2018

3. Chairman's Announcements

4. Declarations of Interest

    To receive any Members' Declarations of Interest and Party Whip arrangements.

5. Shared Services Update: IT (Pages 23 - 48)

6. Shared Services Update: CCTV (Pages 49 - 60)

7. Exclusion of the press and public

    To move that under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the discussion of item 8 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said Act of the following description:

    Information relating to the financial or business affairs of any particular person (including the authority holding that information).

8. <u>Potential Kingsmead Scheme</u> (Pages 61 - 80)

Members are reminded that this item was deferred at the last meeting of Overview and Scrutiny Committee on 19 June, 2018.

Note – The report is enclosed for Members only as it contains exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972. In considering these matters, the meeting may exclude the press and public as detailed at item 7.

9. <u>Urgent Items</u>

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

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Agenda Item 2

MINUTES OF A MEETING OF THE
OVERVIEW AND SCRUTINY COMMITTEE
HELD IN THE COUNCIL CHAMBER,
WALLFIELDS, HERTFORD ON TUESDAY 19
JUNE 2018, AT 7.00 PM

PRESENT: Councillor M Allen (Chairman)
                Councillors D Abbott, S Bull, M Casey,
                G Cutting, B Deering, I Devonshire,
                H Drake, J Jones, P Moore, M Stevenson
                and N Symonds

ALSO PRESENT:

                Councillors D Andrews, E Buckmaster,
                J Goodeve and P Ruffles

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	-	Democratic Services Officer
Ben Cannell	-	Front of House Manager
Fiona Corcoran	-	Scrutiny Officer
Steven Dupoy	-	Leisure and Environment Services Manager
Jess Khanom	-	Head of Operations
Anjeza Saliaj	-	Project Manager
Ian Sharratt	-	Environmental

	Manager
Rhys Thomas	- Arts and Entertainment Programme-Director
Liz Watts	- Chief Executive

ALSO IN ATTENDANCE:

Len Attrill	- WYG Consultancy
Malcolm Hewines	- Montagu Evans
Simon Lewis	- Buro4

48   UPDATE FROM EXECUTIVE MEMBER FOR HEALTH AND WELLBEING

The Executive Member for Health and Wellbeing provided a presentation on the process in relation to the leisure contract. He provided background information in relation to what decisions had been taken so far in terms of leisure provision and what capital commitments had been made to leisure facilities throughout the district. He also provided a summary of ongoing negotiations in general and the successes achieved in relation to securing external funding.

Councillor J Jones queried the progress made on Ward Freeman Pool. The Executive Member advised that the pool was owned by Hertfordshire County Council Leisure Facilities but that East Herts was doing all it could to enhance provision and improve its internal configuration.

The Committee Chairman, on behalf of Members thanked the Executive Member for Health and Wellbeing for his presentation.

RESOLVED – that the presentation be received.

49 APPOINTMENT OF VICE CHAIRMAN

It was moved by Councillor G Cutting and seconded by Councillor P Moore that Councillor J Jones be appointed Vice Chairman for the civic year 2018 /19. Upon being put to be meeting and a voted taken the motion was declared CARRIED.

RESOLVED – that Councillor J Jones be appointed Vice Chairman for the civic year 2018/19.

50 APOLOGY

An apology was submitted on behalf of Councillor Mrs D Hollebon.

51 MINUTES

It was moved by Councillor M Allen and seconded by Councillor M Casey that the Minutes of the meeting held on 17 April 2018 be confirmed as a correct record and signed by the Chairman.   After being put to the meeting and a vote taken the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 17 April 2018 be confirmed as a correct record and signed by the Chairman.

52 CHAIRMAN'S ANNOUNCEMENTS

The Committee Chairman asked Members to support him

in sending their good wishes to Councillor Mrs D Hollebon following the recent death of her husband.

The Committee Chairman reminded Members that in the interests of transparency and decision making, all recommendations needed to be formally moved and seconded with the exception of informative presentations.

The Committee Chairman also announced that Fiona Corcoran, Scrutiny Officer was leaving the Council to take up a position at the Centre for Public Scrutiny in London. On behalf of Members, he commented that Fiona had been an excellent asset and thanked her for her valuable contribution to the work of Scrutiny and wished her well for the future.

53   DECLARATIONS OF INTEREST

In relation to Minute 54 - Capital Development of Hertford Theatre, the following Members asked that their non-pecuniary interests be recorded:

Councillors D Abbott and N Symonds as Trustees of Rhodes Theatre in Bishop's Stortford;

Councillor J Jones had a family member employed by Hertford Theatre;

Councillor B Deering's wife worked as a volunteer at Hertford Theatre.

54   PROPOSED CAPITAL DEVELOPMENT OF HERTFORD THEATRE AND SURROUNDING AREAS

The Executive Member for Health and Wellbeing submitted a report on a proposed capital development of Hertford Theatre to improve the vibrancy of the town economically and socially. The report detailed a number of options. The report highlighted key areas of risk for the Council.

The Theatre Director and Arts Advisor gave Members a detailed and informative presentation about the theatre's past and current successes and patronage over the last eight years explaining why the development of the theatre now was essential in terms of its long term viability and so that it could continue to improve upon its cultural achievements. It was also felt that its development would create a dynamic hub of knowledge and heritage offering the visitor diverse experiences.

The Theatre Director provided a summary of the proposals, as detailed in the report, for the cinema, main auditorium, The Studio, Café/bar and The Motte and connections to Castle Gardens. He sought Members' support for the Option for "Growth and Legacy" in order to support social and economic viability and highlight the Council as an exemplar in supporting cultural development.

The Committee Chairman reminded Members that Essential Reference Papers B1 and B2 contained exempt information and that if Members wished to discuss the information contained therein, a motion to exclude the press and public would need to be moved.

While praising the presentation and the content of the report, Councillor B Deering queried what consultation had been undertaken and that the report made no suggestion of any Member involvement in the development of

proposals.   Councillor Deering suggested that the recommendation be amended to reflect this. Councillor G Cutting supported this proposal. He sought and was provided with clarification about the loan arrangements and echoed concerns about parking.

Councillor Deering thanked the theatre team for their excellent work in making the theatre such a success. He supported Councillor Cutting's concerns regarding parking generally and the need to protect the ancient condition of The Motte.

The Head of Operations reminded Members that expansion proposals for Hertford Theatre were agreed in the Service Plan in March 2018. She explained what consultation had been carried out, including with Hertford Town Council and acknowledged local parking difficulties. It was noted that negotiations were taking place locally with a supermarket to use parking facilities and the Theatre would be trying a number of initiatives in the hope that it would incentivise theatre users not to use their cars.

Councillor N Symonds expressed her concerns about parking at the theatre generally and arrangements for those with disabilities. The Theatre Director and Arts Advisor acknowledged the problem and explained the restrictions in being able to provide disabled parking on site. She sought and was provided with clarification regarding the lifespan of theatre subsidies.

The Head of Operations provided a general overview of the financial modelling and loan arrangements proposed.

Councillor H Drake referred to the new experiences being offered by Curzon Cinemas which offered the visitor a

different type of cinema experience.

Councillor J Jones supported the opportunity for the Council and the theatre and was surprised to hear that proposals had developed to the stage they had. Councillor D Andrews supported the proposal and cited examples of other cinemas within half an hour's drive which had multiple screens and better parking arrangements. He raised concerns about using St Andrew's Car Park for patrons and referred to the need to see stronger figures in terms of income generation.

At 8:15pm it was moved by Councillor M Allen and seconded by Councillor M Casey that a motion to exclude the press and public be moved. Upon being put to the meeting and a vote taken, the motion was declared CARRIED.

Members sought and were provided with clarification in relation to the exempt papers in terms of issues in relation to the pay- back period and the project in terms of it being a major capital investment. A Member suggested the need to balance this against smaller quicker wins which might be better received by residents.

The press and public were later re-admitted to the meeting and Members discussed the positive feedback on a new initiative which the theatre had introduced including "pay what you feel" aimed at encouraging those from harder to reach backgrounds to pay after a performance.

Members expressed their appreciation to the Theatre Director and Arts Advisor for his engaging and comprehensive presentation.

It was moved by Councillor I Devonshire and seconded by Councillor G Cutting that the project be supported by increased Member involvement. After being put to the meeting and a vote taken, the recommendation was declared CARRIED.

It was moved by Councillor B Deering and seconded by Councillor G Cutting that the recommendations as amended and detailed be supported. After being put to the meeting and a vote taken, the recommendations were declared CARRIED.

> RESOLVED – that the Executive be advised that Members support(A) investment on the basis of the preferred "Growth and Legacy" option, as now detailed; and
>
> (B)   increased Member involvement in the project .

(Councillors S Bull, M Casey, B Deering and N Symonds requested that their abstention from voting be noted).

55   CONTRACT OPTIONS FOR GROUNDS MAINTENANCE CONTRACT - FINDINGS OF THE TASK AND FINISH GROUP

The Chairman of the Task and Finish Group submitted a report on the findings of the Grounds Maintenance Contract Task and Finish Group including soft market testing, and the implications for Hertfordshire County Council's (HCCs) verge maintenance.

Clarification was sought and provided in relation to the term of the contract.

Councillor M Stevenson expressed concern regarding the

use of Glyphosate (to control weeds) and particularly in relation to its impact on earth worms. The Leisure and Parks Development Manager explained that this was widely used. Councillor G Cutting added that if the instructions were read correctly and used in dry weather, this had no impact on insects and earthworms and only impacted on foliage.

The Committee Chairman referred to the "top up" costs of £800,000 and reminded Members that this should be viewed within the term of the contract and was around £100,000 per annum. It was noted that HCC had been advised of the proposed changes relating to verge maintenance and on the "top up" arrangements. Officers commented that St Albans, Hertsmere and Three Rivers Councils had all removed the "top up" arrangement and that a joint public communications approach with HCC had helped to manage the change.

Councillor H Drake asked Officers to ensure that the size of litter bins be kept under review (and particularly in terms of the new contract) to reflect the needs of the area, e.g. placing larger bins near food establishments and shops.

In response to a query regarding numbers interested in tendering for the contract, the Leisure and Parks Development Manager explained that the Council was not at that stage yet, but that soft market testing had shown that five or six companies could be interested in tendering.

It was moved by Councillor M Allen and seconded by Councillor G Cutting that the recommendations as detailed be supported.   After being put to the meeting and a vote taken, the recommendations were declared CARRIED.

RESOLVED – that the Executive be advised that Members support:

(A)   a proposal to offer the contract for a term of 8 years with the potential for a 5 year extension;

(B)   the design and tender of a contract which delivers the same quality standards (described in Essential Reference Paper "B" of the report submitted) across the district continuing with a performance / output approach as opposed to a scheduled delivery of works; and

(C)   the need to make savings to offset the increase in costs of a new contract by no longer funding a "top up" to cut Hertfordshire County Council grass to the East Hertfordshire Council standard (saving approximately £800,000 over the contract term).

56   WORK PROGRAMME UPDATE

The Chairman of Overview and Scrutiny Committee submitted a report setting out the Committee's future work programme. The Scrutiny Officer provided a summary of the report and explained that there would be a further meeting on 10 July 2018 to consider the shared service arrangements in relation to IT and CCTV arrangements. Additionally, the Work Programme would be amended to include shared service arrangements in relation to Revenues and Benefits.

It was moved by Councillor M Allen and seconded by Councillor B Deering that the draft work programme, as amended and as detailed, be approved. After being put to the meeting and a vote taken, the recommendation was

declared CARRIED.

> RESOLVED – that the draft work programme as now amended, for Overview and Scrutiny Committee, be approved.

57   OLD RIVER LANE - BISHOP'S STORTFORD – UPDATE

The Chief Executive submitted a report on the progress of the Old River Lane (ORL) site in Bishop's Stortford and sought Members steer on the next phase of the development.

The Chief Executive drew Members' attention to the Essential Reference Papers which contained exempt information and reminded Members of the need to move a motion to exclude the press and public if they wished to consider the information in the open part of the meeting. She explained that she would present Members with a vision for the Old River Lane site (including some procurement options), followed by a presentation containing exempt information, by Mr Hewines (Consultant for Montagu Evans) which would require the exclusion of the press and public.

The Chief Executive's presentation summarised the background to the project which included:

- A new arts/cultural and entertainment centre (500 seat theatre, 3-4 cinema screens, shared reception space, potential Bishop's Stortford library, and a one-stop shop for Council services, hot-desking work space, café/bar);

- Up to 180 homes (including a range of tenures and

including affordable homes);

- Retail (shops and restaurants) ;

- Parking provision for the whole site;

- A new public square and high quality public realm;

- Castle Gardens connection;

- High quality accessible parking; and

- Sensitive scale and massing.

The Chief Executive explained the research and visits which had been undertaken by Members of the Arts Centre Working Group in terms of what arts and cultural centres might fit within the vision for ORL. It was noted that The Rhodes Centre had fully signed up to the vision for a new arts centre and was working with the Council through the signed Heads of Terms.

At 8:55pm it was moved by Councillor B Deering and seconded by Councillor M Casey that a motion to exclude the press and public be moved. Upon being put to the meeting and a vote taken, the motion was declared CARRIED.

Mr M Hewines (Consultant for Montagu Evans) provided Members with a presentation which summarised the business case for the development of the ORL site and his views following soft market and viability testing with developers on a number of core areas including:

- Developers' views of ORL as a major town centre

regeneration opportunity;

- The content of the Masterplan; and

- Specific delivery issues, such as parking, place marking and accelerated delivery.

The Consultant provided a comprehensive summary on:

- the scheme's potential evolution in planning terms (including land costs and viability;

- a potential development package and delivery model;

- the financial implications (of delivery models) and income generation and a summary outputs and funding gaps; and

- Development and operational costs and risks associated with the project.

Members sought and were provided with clarification on:

- the issue of risk in relation to the options proposed (Members were keen to minimise risk);

- Charrington's House occupancy levels and current improvements and the absence of itemised demolition costs within the evaluations;

- the dependency of the ORL scheme on the multi-storey car park;

- land costs and disposal (including legislative restrictions) and whether the figures detailed

included the costs associated with buying back the land originally sold to a developer;

- levels of affordable housing proposed and whether this was achievable in terms of the preferred option;

- whether properties could be included within the Council's portfolio;

- the need to accommodate successes (such as Launch Pad) within the new scheme arrangements;

- the need to have firm plans in relation to the arts centre;

- the funding gap and how this would be addressed;

- the use of Section 106 monies and proposed financial support by Bishop's Stortford Town Council to support the scheme;

- Development proposals for the Arts Centre: the need for it to be centrally located and what consultation had been carried out over the last 18 months; proposed development proposals (including the need to install a "fly tower") for the arts centre stage.

The Committee Chairman sought and was provided with clarification in relation to the financial risks associated with Options 2 and 3.

It was moved by Councillor M Allen and seconded by Councillor M Casey that the recommendations as detailed, be approved.   After being put to the meeting and a vote taken, the recommendations were declared CARRIED.

RESOLVED – that the Executive be advised that Members support:

(A) the suggested delivery model as set out in the exempt Essential Reference Paper D (Business Case) and summarised in paragraph 2.2 of the report and the procurement phasing, set out in exempt Essential Reference Paper E (Procurement Strategy) and summarised in paragraph 2.4; and

(B) note the impact in relation to the Risk Register as detailed in Essential Reference Paper F.

58   EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – that under Section 100(A)(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the discussion of Minute 54 (Proposed Capital Development of Hertford Theatre and surrounding areas (in part) and Minute 57 Old River Lane Bishop's Stortford: Update (in part) on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said act.

59   POTENTIAL KINGSMEAD SCHEME

At 9.57 pm, the Chairman advised Members that Standing Orders would need to be suspended if they wished to consider the report about the Potential Kingsmead Scheme.

It was moved by Councillor M Allen and seconded by

Councillor M Casey that Standing Order 9.1 (Duration of the Meetings) be suspended to allow the meeting to continue.   After being put to the meeting and a vote taken, the recommendation was declared LOST.

It was moved by Councillor M Allen and seconded by Councillor B Deering that the item to the next meeting of Overview and Scrutiny Committee (on 10 July 2018). After being put to the meeting and a vote taken, the recommendation was declared CARRIED.

> RESOLVED – that the matter be deferred to the next meeting of Overview and Scrutiny Committee.

The meeting closed at 9.58 pm

Chairman	....
Date	....

EAST HERTS COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE – 10 JULY 2018

REPORT BY RICHARD PROTHEROE (STEVENAGE) and HELEN STANDEN (EAST HERTS)

SHARED IT SERVICE

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

To answer the following questions put by Overview and Scrutiny Committee, insofar as they relate to the Shared IT Service:

1. Are the shared services continuing to ensure consistent & beneficial outcome for East Herts residents?

2. Are the various shared services providing East Herts Council with an on-going financial benefit?

3. For existing shared services, have the financial benefits met?

RECOMMENDATIONS FOR OVERVIEW and SCRUTINY COMMITTEE: That:	
(A)	**The value for money assessment of the Shared IT Service is noted, and**
(B)	**Current proposals to help ensure continued value for money are supported.**

1.0 Background

1.1 East Herts and Stevenage Councils have operated shared IT Service (including Print and Design Services) since 2013, which has successfully delivered both revenue savings and service improvements to the benefit of both authorities.

1.2 The original business case for the shared IT Service was developed around three main objectives:

1. Deliver £416,000 of revenue savings in a full operating year, shared equally between both Councils
2. Strengthen resilience through a larger team
3. Increase capacity to support ongoing service development

1.3 The third of these objectives recognised that both Councils shared a requirement to invest in and improve their IT Service. Agreeing to do this in partnership provided an opportunity to achieve better value for money than undertaking these improvements independently.

1.4 Implementation involved the establishment of a primary service location in Stevenage, which included transfer of East Herts staff to Stevenage Borough Council and creation of a shared IT Infrastructure. The shared investment in IT Infrastructure represents the first example of both authorities being able to achieve better value for money by pooling resources and realising benefits from implementing a shared solution, as this investment was the catalyst for releasing the £400k identified in the original business case.

1.5 Since its creation the shared IT Service has delivered a shared network, data centres, corporate Wi-Fi, ICT Service Desk and desktop arrangements, consolidated a number of applications and delivered a range of projects from mobile working to customer payments.

1.6 The single service model has increased resilience for East Herts Council, with a larger team decreasing the reliance on

individuals being available in addition to the extra levels of technical redundancy that can be afforded through the collaboration. Sharing has also enabled greater economies of scale, for example through price breaks when procuring, which has improved the ability of the IT Service to meet the partners' requirements at a lower cost.

1.7   As outlined in the business case, the shared IT Service has been able to facilitate and realise opportunities to share business applications resulting in reduced costs. This has also created opportunities to drive wider improvement across the two authorities with the services using those applications coming together to share learning and practice.

1.8   The Shared IT Service is also continuing to provide an indirect beneficial outcome for East Herts residents. By keeping the cost of providing and developing the service at a level which is affordable, the Council in turn is able to keep down Council Tax increases.

2.0   Budget Overview

2.1   A commentary on the budget and expenditure of the shared service to date is set out below. The commentary includes evidence of achieving value for money, efficiencies gained and examples of expenditure being less than it would otherwise have been, had the shared service not been set up.

2.2   The shared budget for the Service has increased from £1,993 million in 2013/14 to £2.492m in 2018/19. This has been largely attributed to the purchase of new licences, transfers from retained budgets, salary and contract inflation. The current IT Improvement Plan also identified the need for additional revenue funding to deliver a range of security enhancements.

A breakdown of the total IT Partnership budget during 2018/19 can be seen in the following chart:
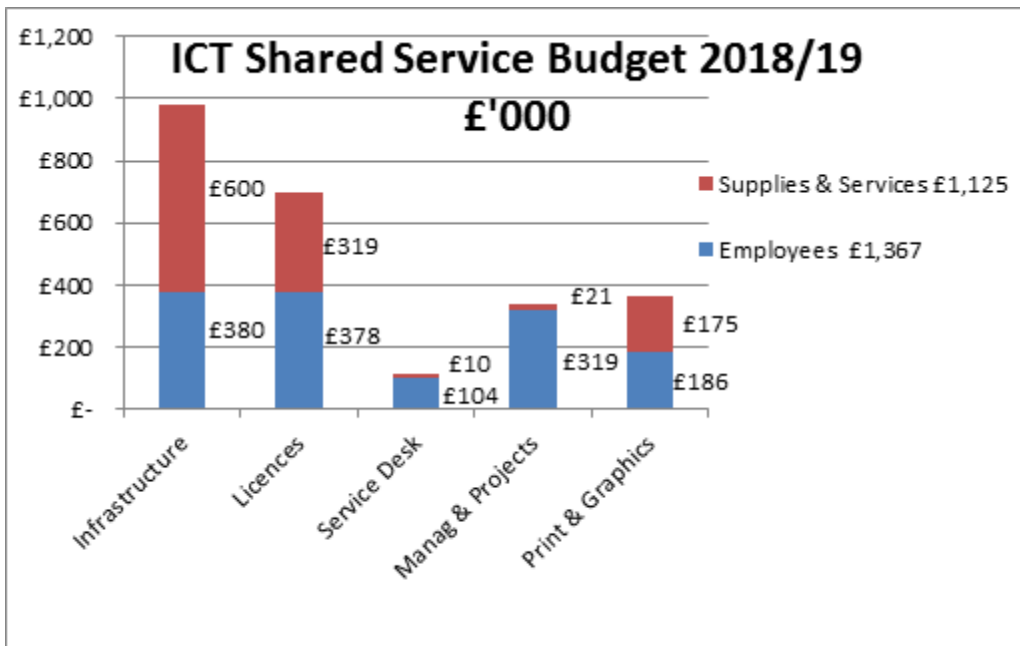
2.3 Detail about the movements in the budgets associated to the shared IT Service since 2014/15 is available at **Essential Reference Paper B**.

2.4 The current capital programme is circa £900k per annum which is equally split across the two authorities.

2.5 On the basis of a joint baseline budget for the shared service, the Chief Financial Officers at both Councils in 2013/14 agreed to share costs and savings associated with that budget. At that time, a 50:50 apportionment was regarded as equitable for both costs and savings. During 2018/19 this has been adjusted to 48% for East Herts Council. The percentage change is as a result of the distribution of Microsoft Licences across the two authorities.

2.6 The cost ratio to be applied in future financial years is currently under joint review by the Council's Head of Strategic Finance and Property and the Assistant Director Finance at Stevenage Borough Council. The scope of that review includes recharging of overheads and future cost modelling.

2.7 The contribution to the Shared Service made by East Herts in 2014/15 was £849,245 (not including overheads) compared to £887,510 during 2017/18. A 5 year overview of East Herts IT budgets and spend is available at **Essential Reference Paper C**.

3.0 Employee Costs

3.1 The shared IT Service currently employs 25.8 FTE, which is a reduction from the 35 FTE that were identified as being within scope at the point the Service was created in 2013. It was through this consolidation of service teams and management that a significant proportion of the circa 400k savings target was achieved.

3.2 Employee costs represented 55% of the overall Shared Service budget during 2018/19 (£1,367k) compared to 67% in 2013/14 (£1,330k). Employee costs have remained fairly static despite annual salary increases of 1% per annum (2% 2018/19) and increased employer pension contribution (16.5% to 18.5%) that was brought in during 2017/18.

4.0 Supplies and Services

4.1 The shared supplies and services budgets have increased to £1.125m during 2018/19 compared with £492,000 during 2014/15.

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
IT Infrastructure & Applications (inc. contract and licensing costs)	320	488	606	776	950
Print & Design (inc. equipment hire, copy charges, print consumables and paper)	172	168	171	170	175
Total Shared	492	656	777	946	1,125

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
SBC Retained	504	456	398	408	408
EHC Retained	500	400	386	399	386
Total Retained	1,004	856	784	807	794

Total Combined	1,496	1,512	1,561	1,753	1919

4.2 Significant investment in supplies and services has taken place in the IT Shared Service since 2016/17 due to need to ensure licensing compliance, improved cyber security, the replacement of legacy systems and purchase of new business applications, and enhanced service governance.

4.3 The shared IT Service inherited a number of sub-optimal contractual agreements; this included an East Herts inter-site networking and telephony agreement that experienced performance problems resulting in service degradation and outages. This was an area of opportunity, as Stevenage also needed to modernise and improve their telephony arrangements. A new shared contract is now in place that has

resulted in greater resilience, performance improvements, and reduced costs.

4.4   Time has also been invested into ensuring compliance with software licensing agreements, addressing potential risks by clarifying terms with vendors and remediating any areas of concern. This has resulted in growth as expected.

4.5   Significant effort has been invested in modernising the business applications and systems used by East Herts. Where practicable this has been undertaken in partnership with Stevenage and has resulted in benefits for both Councils. A good example of this is the Idox Uniform system, which Stevenage were already using and East Herts identified as the preferred solution for Planning, Building Control, Environmental Health and Licensing. The contract negotiated by the shared IT Service enabled East Herts to benefit from Stevenage's existing licensing and ensuring both Councils benefit from shared usage rights in the longer term.

4.6   Other shared solutions, such as the HR and Payroll System and Intranet, have been procured together resulting in better value being achieved for both Councils. This means that both Councils' portfolio of business applications is beginning to be more closely aligned, which will reduce the number of different systems requiring support by the shared IT Service resulting in better resilience through a smaller staff group. The IT Partnership Board has recently undertaken to consider all application purchases jointly to ensure value for money, improved resilience and in time to reduce the number of systems supported by the Shared Service.

4.7   Over the last 12 months good progress has been made in improving IT resilience and security. This includes the installation of new equipment, including a back-up generator (at Daneshill which will prevent the loss of network capability such as the outage experienced over elections in 2017) and the procurement of a range of cyber security protection features.

4.8   The closure of the Hertford data centre and the relocation of the Print Service to Stevenage, has released office space (over and above that released following IT staff transfer to Stevenage) which has helped deliver the Council's accommodation strategy.

5.0   Print and Design Services

5.1   A review of the Shared Print and Design Service is currently underway and is identifying alternative service delivery models for both authorities consideration. This is expected to deliver further savings to both Councils.

6.0   Future IT Service Improvements

6.1   Technology is now a part of daily life, changing and transforming the way in which people interact with friends, family, services and businesses. In the public sector, this presents local authorities with opportunities to reshape services, drive efficiency savings and work differently.

6.2   Both East Herts and Stevenage councils have senior leadership capacity driving forward ambitious transformation agendas. Both councils are committed to embracing new digital opportunities to better meet the needs of residents, achieve savings, and transform the way our services are delivered.

6.3   A secure, resilient, effective and forward looking IT Service is critical to the success of both Stevenage and East Herts Councils in delivering these aims. Fundamentally, the shared IT Service is in place to support both Councils in delivering key services to residents and customers, to enable service transformation and make the most of new digital opportunities.

6.4   The resilience and availability of the shared IT services have been tested over the past two years. A summary of these incidents, the associated learning and remediation activity can be found at **Essential Reference Paper E**. The availability of core IT systems for January 2018 to March 2018 during

supported hours achieved 99.49%. This demonstrates the improved reliability that the IT Improvement plan has delivered and the commitment of the Partnership to providing a resilient and enabling IT Shared Service.

6.5   The IT Service is currently implementing the most significant improvement it has experienced since its creation. The scope of those improvements are captured within the IT Improvement Plan that was adopted in November 2017. The plan spans four key improvement themes and is being implemented across three phases, which are summarised below.

	Phase		
	1	**2**	**3**
Resilience	★	★	★
Security	★	★	★
Best practice management	★	★	★
Forward strategy	★	★	★

6.6   Due to the strategic importance of the IT service, Stevenage's Chief Executive, Scott Crudgington, is sponsoring the IT improvement programme and the implementation is supported through the engagement of a team of professional specialists working with the IT Management Team. A range of immediate corrective action has already been implemented to address the currently known risks.

6.7   Projects to improve both security and resilience have already been delivered as part of the first phase and the IT Service is now introducing new measures to deliver enhancements in how the service is managed and governed going forward. This will provide a sound foundation for the third phase to look at strategy and determine our future technology ambitions.

6.8 The production and implementation of the IT Improvement Plan provided a catalyst for the development and strengthening of officer relationships between East Herts and Stevenage. Securing a partnership of equals, with an open and flexible working relationship is essential for the future success of the shared service.

6.9 During 2017/18 two new Strategic Directors (Helen Standen and Tom Pike) were appointed to the Shared IT Service Partnership Board, bringing fresh views on how to set the future strategic direction of the service. The Board itself is included in a governance review which together with a new IT Steering Group, will streamline decision making. This governance arrangement will be supported by the newly created IT Programme Management Office (IT PMO) function, which will provide control and reporting on the entirety of the projects and 'business as usual' activities carried out by the IT service.

6.10 It is the intention that the Partnership Board will oversee the development and adoption of a single IT strategy for the next three to five years. This will set a clear direction for the service and provide a key reference point for clear and timely future funding decisions. The adoption of a single IT strategy will also be critical to the delivery of the Council's digital transformation ambitions, whilst a strategic agreement with Stevenage Borough Council on a joint IT platform, will enhance the customer experience.

6.11 The Assistant Director (Corporate Services and Transformation) currently responsible for the strategic leadership of the service has identified that projects and business as usual work was uncontrolled and this has a significant impact on the IT team's ability to maintain day to day services. In response an interim IT PMO and project management structure has now been introduced and a draft project/work change process drafted for review. All work underway has been reviewed and assigned into a project or programme and the most pressing activities have a project manager assigned. A dashboard for project

management has been produced and all projects now have a RAG status applied and is available at **Essential Reference Paper E.** The immediate result was felt with the recent Generator power down work that was successful due to the extra effort and process applied. A Technology review is also underway with an external partner to identify and agree improvements to the present infrastructure and create a technology strategy.

6.12 To address issues with business engagement and to understand future demand the PMO will work with each business area to develop a pipeline of projects using the engagement process and then help each business area to understand how to prioritise and budget. This pipeline of activity will be shared across all parties for consideration and approval.

6.13 An IT 'Roadmap' of all planned and known activities for up to 5 years is already in development for the IT Partnership. This will enable better planning and prioritisation of resources and will provide both councils with clear financial planning for investment into the IT Shared Service

6.14 The Assistant Director (Corporate Services and Transformation) and the IT Transformation Lead are also working with the IT team on driving forward service improvement using internationally recognised IT Service Management Standards. This includes undertaking service reviews and reaching agreement on improved processes. These will concentrate on improving incident and problem management which will enable better allocation of effort and resources to fix issues. It has been determined that many of the tools used by the IT Team are adequate but are able to be further utilised to provide better performance so it is expected that following good practice and new policies will improve the responsiveness of the service.

6.15 The formal Partnership Agreement has been extended to 31st March 2019, to enable a revised agreement for a further three to five years to be drawn up for approval by both councils. The new agreement will be drafted in response to a shared vision and business technology strategy. This will include Service Level Agreements and will address questions about the equity of funding arrangements between the two Councils, which have arisen over the years. The agreement will also give regard to the future accommodation strategies for both Councils. The intention is for the new agreement to be in place for the beginning of the next financial year.

6.16 An IT procurement manager has been engaged to manage the procurement of the various goods and services required through the IT Improvement Plan. This resource has allowed the IT Management Team to focus on the delivery of other aspects of the Plan, without the distraction of the administrative burden which accompanies procurement exercises.

6.17 In order to keep up with the ever changing environment in which IT exists, the structure of the shared service will be put under review once a key appointment is made to a new role of Shared Service Technology (Transformation) Manager.

6.18 It should be noted that had both councils continued to provide separate IT services, the annual costs would have risen year on year and it is unlikely that savings would have been realised. Technology has a significant cost. The importance of investment in our IT partnership is recognised by the Board. The emerging ICT Strategy and 'Roadmap' will inform the direction of travel over the coming years as well as provide a strong indication of the level of investment needed, the potential return on that investment through improved digital delivery, enabling us to forecast expected capital and revenue requirements.

6.19 Overall, whilst there may have been a period of time when the IT service was not adequately managed and supported, this has now been rectified and service and confidence has significantly

improved in recent months. Governance has been strengthened and the Partnership is maturing.

6.20 It is therefore considered that the Shared ICT Service will continue to provide value for money for both councils in the coming years.

7.0 Implications/Consultations

7.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'.**

Background Papers - None

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IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives *(delete as appropriate):*	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy
Consultation:	None
Legal:	None
Financial:	Both Councils Section 151 Officers have been consulted and are involved in the current contract discussions. In depth analysis is contained in the ERPs attached to this report
Human Resource:	No current implications
Risk Management:	There is now a more robust risk management process in place – see report
Health and wellbeing – issues and impacts:	None
Equality Impact Assessment required:	No

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Movement in IT Service Budgets (2014/15 to 2018/19)

Summary of Movements

	2014/15	2015/16	Movement	2015/16	2016/17	Movement	2016/17	2017/18	Movement	2017/18	2018/19	Movement
IT	1,485	1,504	19	1,504	1,665	161	1,665	1,913	248	1,913	2,129	216
Print & Graphic Design	355	334	(21)	334	350	16	350	352	3	352	361	9
	1,840	1,838	(2)	1,838	2,015	177	2,015	2,265	250	2,265	2,490	225

Explanation of Movements

IT

Salary Inflation	38	48	84	31
Contract Inflation	7	22	19	25
Growth	0	53	40	14
Transfers into the Shared Service	0	40	105	24
Transfer of costs out of Shared Service	0	0	0	(58)
Savings target	410	0	0	0
Savings on staff	(243)	0	0	0
Savings on Non staff	(170)	0	0	0
IT Improvement Plan - SBC Growth	0	0	0	105
New IT Shared Service Technology Manager post	0	0	0	75
Other minor changes	(23)	(2)	0	0
	19	161	248	216

Print & Graphic Design

Salary Inflation	4	13	5	3
Contract Inflation	0	0	2	4
Savings on staff	(25)	0	0	0
Other minor changes	0	3	(4)	2
	(21)	16	3	9

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East Herts Council Budget Outturn Figures (2013/14 to 2017/18)

SHARED BUSINESS & TECHNOLOGY SERVICES VARIANCES

	2014/15			2015/16			2016/17			2017/18		
	Budget for year	Actual for year	Variance for year	Budget for year	Actual for year	Variance for year	Budget for year	Actual for year	Variance for year	Budget for year	Actual for year	Variance for year
	£	£	£	£	£	£	£	£	£	£	£	£
Shared ICT services	746,825	803,973	57,148	761,370	761,817	447	777,370	932,757	155,387	777,370	1,017,455	240,085
Shared print & graphic design services	102,420	120,412	17,992	135,140	135,144	4	135,140	178,586	43,446	110,140	164,298	54,158
IT services - retained costs	499,620	439,752	(59,868)	399,770	387,270	(12,500)	386,000	425,229	39,229	398,960	389,737	(9,223)
Corporate resource unit	5,320	2,440	(2,880)	-	45	45	-	-	-	-	-	-
Desk Top Publishing	50	-	(50)	-	-	-	-	-	-	-	-	-
TOTAL	1,354,235	1,366,576	12,341	1,296,280	1,284,276	(12,004)	1,298,510	1,536,572	238,062	1,286,470	1,571,491	285,021

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Major Incidents Summary

Outage	Date	Description	Learning and mitigating action
Telephony	August 2016 (Bank Holiday)	A hardware component (hard drive) failed in the legacy telephony system. The configuration inherited by the shared IT Service was not resilient and the failure rendered the telephony system inoperable. Third party support was needed to supply a replacement component and assist with restoration of the service. The support organisation met their contractual obligations and supported the shared IT Service across the Bank Holiday weekend. Telephony Services were largely restored by the Tuesday morning, with any residual issues being resolved over the following two days. The total disruption to telephony services spanned 2.5 working days.	Restoration of the service took longer than expected due to an ineffective backup strategy, which, once identified, was remedied immediately. In February 2019 the shared IT Service was able to finalise the safe exit from the unsatisfactory legacy networking and telephony contract . This enabled the implementation of better performing, more resilient, and more cost effective telephony arrangements across the Partnership. There may be further opportunities to enhance the resilience of telephony system due to the new arrangements and these are now being explored.
Power Failure	May 2017 (Local Election)	The main supply of power to Stevenage was disrupted for approximately 30 minutes before 8am, which affected both Daneshill House and Cavendish Road sites.	Improvement of the environmental controls at both Daneshill House and Cavendish Road sites had already been identified as a priority with funding agreed in the

Outage	Date	Description	Learning and mitigating action
		The environmental measures in place were unable to sustain power at either site, resulting in the uncontrolled shutdown of the IT Infrastructure making all IT services unavailable. Recovery of key IT services was achieved by midday, with all services being restored before the end of the day.	17/18 Capital programme. A new generator is in the process of being commissioned at Daneshill House to support the Data Centre in the event of future power disruption, along with new Uninterruptible Power Supply (UPS) devices at both sites, and improved maintenance regimes to ensure these measures will be effective when required.
Fibre Break	August 2017 (Bank Holiday)	The fibre cable that connects Daneshill House and Cavendish Road sites was severed by a third part on a Saturday morning resulting in the failure of all IT services. The Out of Hours IT service was not designed or expected to recover from this type of issue. A small number of staff attempted to progress the recovery across the Bank Holiday weekend, but it wasn't until Monday that significant progress was made when more staff were available.	The current design of the Councils' IT infrastructure relies on the connectivity between the Daneshill House and Cavendish Road sites to be available. This is an inherent weakness of the design, which is difficult to mitigate cost effectively due to the high specification of the link required. An alternative design has been identified to mitigate the risk associated with the connectivity, which requires investment to replace end-of-life storage devices.

Outage	Date	Description	Learning and mitigating action
		Recovery officially commenced at 8am on Tuesday morning, with services being fully restored by 1pm on Wednesday.	This new design only relies on the connectivity to replicate data, rather than to maintain the operation of IT services. Funding to do this has been agreed as part of the existing Capital programme and the final elements of due diligence are being undertaken before procuring the new storage devices. The new design also appears to make it affordable to procure a second line between the sites, which further limits the impact if the connectivity is disrupted again in the future.
Email Outage	March 2018	Email services were disrupted due to a change in network topology resulting from the closure of the Hertford Data Centre. It was not possible to simply reverse this change without the risk of further disruption to other IT services. Email services were restored within 1 working day and no data was lost.	Closing a Data Centre is an atypical activity, so the likelihood for reoccurrence of a similar issue is low. Disruption to services is always a risk when making significant IT change. The control processes were followed correctly on this occasion, but the issue was unforeseen.

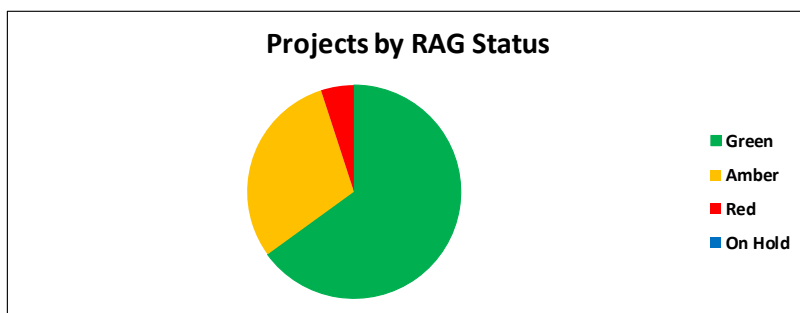This page is intentionally left blank

June 2018 IT Project Dashboard

Active Projects		Start Up	Initiation	Implementation	Go-live	Closure	On Hold	Total
IT Improvement Plan	Decommissioning	0	0	2	2	0	0	**4**
	Enhanced Defences	0	1	3	0	0	0	**4**
	Resilience	0	0	4	1	0	0	**5**
Other Projects	Other	0	5	2	0	0	0	**7**
	Total	**0**	**6**	**11**	**3**	**0**	**0**	**20**

Project Pipeline	Number
Decommissioning	0
Enhanced Defences	7
Resilience	4
Other	101
Total	**112**

Active Projects by RAG Status		Green	Amber	Red	On Hold	Total
IT Improvement Plan	Decommissioning	3	1	0	0	4
	Enhanced Defences	1	3	0	0	4
	Resilience	3	1	1	0	5
Other	Other	6	1	0	0	7
	Total	**13**	**6**	**1**	**0**	**20**

Recovered Projects this month	Number
Decommissioning	1
Enhanced Defences	0
Resilience	1
Other	0
Total	**2**

Projects by RAG Status

- Green
- Amber
- Red
- On Hold

Key Project Issues	
Project	**Reason for Red Status**
P0004 - Review IT disaster recovery plan	There is no path identified to determine the business recovery objectives.

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EAST HERTS COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE – 10 JULY 2018

REPORT BY THE HEAD OF HOUSING AND HEALTH

SHARED SERVICE: CCTV

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- The report informs members of the shared service arrangements currently in place, hosted by Stevenage Borough Council, through which CCTV cameras in the district are monitored.

- The report brings to members' attention (a) the review of CCTV coverage and configuration currently being undertaken by East Herts Council officers and (b) the governance audit recently commissioned by Stevenage Borough Council which is currently underway.

	RECOMMENDATIONS FOR OVERVIEW AND SCRUTINY COMMITTEE: That members:
(A)	**consider the details of the shared CCTV service outlined in this report and offer observations to the Head of Housing and Health for consideration at an operational level;**
(B)	**note that reviews of the operational and governance aspects of the shared CCTV service are currently underway and provide any comments to the Head of Housing and Health for consideration during these reviews; and**
(C)	**request that a paper be brought to a future Overview and Scrutiny Committee meeting to consider the**

	outcome of the reviews.

1.0 <u>Background</u>

1.1 Since 2006, East Herts Council has been part of the shared CCTV monitoring service. There are currently four members; East Herts, Hertsmere, North Herts and Stevenage. The service is hosted by Stevenage Borough Council with the control room located in a Stevenage BC building in Stevenage town centre. The shared service is known as the CCTV Partnership.

1.2 The CCTV Partnership:

- monitors 37 fixed public space CCTV cameras in the district owned by East Herts Council and/or provided by or for Bishop's Stortford, Hertford and Ware Town Councils

- detects faults in these cameras and arranges repair/replacement subject to the council agreeing to meet the costs

- moves and maintains four moveable cameras in the district

- manages all staffing, commissioning and such issues.

1.3 More recently, the partners to the shared service agreed to establish a trading arm wholly owned by the four partners. This enables the CCTV Partnership to trade with commercial bodies on commercial terms, thus profits can be generated that are returned to the partners (the shareholders of the company) as dividends. Any trading losses are also passed on to partner authorities.

2.0 <u>Report</u>

The shared service

2.1 In 2005, the council reviewed provision of CCTV cameras and monitoring in the district and sought tenders from existing control centres. Up to this time, cameras in Hertford town centre and St Andrews and Hartham Car Parks, along with

some wireless cameras across the district, had been monitored by the Stevenage CCTV control room through a series of ad hoc and informal arrangements. The council's review in 2005 was aimed at improving coverage of cameras across Hertford, Ware and Bishop's Stortford and entering into a formal contract for their monitoring.

2.2 Tenders were sought from four existing CCTV control rooms in Hertfordshire, with bids received from the then Stevenage/North Herts CCTV Service and the St Albans CCTV Service (representing a partnership of St Albans, Broxbourne and Welwyn Hatfield).

2.3 The Stevenage/North Herts Service was selected by the Executive at its meeting of 6 December 2005 on the basis of cost and quality considerations. In the covering report to the Executive decision, it was noted that the key aspects of becoming a member of the Stevenage/North Herts Service were:

- a financial open book policy with all partners having a share in any future development as well as any savings from commercial income

- capital match funding from Stevenage and North Herts

- an executive board on which elected members from East Herts would sit, below which is a management board

- a CCTV manager who is responsible for the day-to-day management of the control room

- the Stevenage control room was already monitoring some cameras in East Herts

- the Police were supportive of East Herts working with Stevenage.

2.4 In March 2011, the partnership expanded to include Hertsmere. At the time it was determined that economies of scale would lead to further efficiencies.

Workload and results

2.5   The CCTV service is a crucial element of ASB and crime reduction and detection in the district.

2.6   Key performance statistics relating to East Herts for last three years show:

Year	East Herts incidents addressed by the CCTV Partnership	Arrests in East Herts arising from CCTV input
2014/15	809	261
2015/16	852	224
2016/17	865	266

2.7   Recent case studies illustrate the breadth of CCTV support with local incidents as these extracts from the CCTV Partnership's newsletter show:

Fore Street, Hertford, 02:30 hrs, Sunday 11th March 2018
A controller viewing Fore Street in Hertford saw a group of men outside the Bosporus Kebab who were pushing and shoving each other in the early hours of Sunday morning. Anticipating that a fight would break out, the controller informed the Force Control Room of the scuffle... the controller [then] noticed that another monitor was showing a vicious fight taking place...The CCTV cameras had captured images of [those] involved in the assault...

Birchley Green, Hertford, 11:47 hrs, Thursday 1st March 2018
A female shoplifter who was wanted for theft from several shops was spotted in W H Smith's in Birchley Green. The woman was monitored as she made her way to... a parked red Seat car. The police were aware of the vehicle and officers stopped the car in Fore Street where she and a male driver were arrested and put in handcuffs. The man was arrested for motoring offences as well as suspicion of theft.

North Street, Bishop's Stortford, 20:14 hrs, Thursday 12th October 2017
Controllers heard a report... that a man... wearing a black hooded jacket was very intoxicated and staggering in and out of the roadway. He was in imminent danger of becoming a pedestrian road traffic casualty. Controllers located the man ... and... advised the police control room of the man's whereabouts as he

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was seen to stagger into the road in front of an oncoming Mercedes car that braked sharply to a stop. The drunken man was confronted by the car's driver as he refused to move and the driver in turn began to get aggressive. The police arrived to defuse the situation and detain the drunkard who was arrested for being drunk and disorderly.

St Andrews Street, Hertford, 00:35 hrs, Tuesday 28th November 2017
Controllers received a report of a break-in at the St Andrews Street Pharmacy, from a person in the flats above who had seen a man wearing a black coat over a blue jumper, running out of the pharmacy carrying a number of items... As controllers began an area search a police dog unit arrived in the area of the alleyway and spotted a man there who they apprehended...The man was found to be in possession of lots of prescription Diazepam and was arrested for burglary.

Bridge Street, Bishop's Stortford, 02:46 hrs, Saturday 11th November 2017
Controllers were contacted by the police control room who requested their help in searching for a suicidal woman... Controllers located the woman... near the Black Lion pub in Bridge Street. Images were patched through to the police control and officers and an ambulance crew attended the woman and dealt with the concern for her safety.

Fore Street, Hertford, 02:10 hrs, Friday 3rd November 2017
The Jungle Bar called controllers to advise them that a man was about to leave them and intended to drive his car whilst drunk. Controllers located the man getting into his car and patched the images through to the police control room. They continued to monitor the man until officers arrived and breath tested the man who was arrested for being over the blood alcohol limit.

Operational review

2.8   The council's CCTV arrangements have not been reviewed since joining the shared service. Hence, a review is already in the council's Housing and Health Service Plan 2018/19.

2.9   The timescale for this review is as follows:

Commence review of CCTV coverage – are the cameras in the right places?	April 2018
Recommend amendments / additions	September 2018
Seek resources through the Medium Term Financial Plan if required	December 2018

2.10　This work in now underway. The initial findings from the coverage review are:

- a number of cameras require renewal as they are out-of-date or in constant need of maintenance

- a high percentage of our cameras are fixed and unable to be moved. There are merits in switching to a greater number of mobile cameras as these can be moved quickly to areas of concern

- some of the cameras are positioned in locations which are no longer subject to reported ASB or crime

- there are some black spots in coverage which compromise the ability of the CCTV operatives / police to follow people of interest.

2.11　In order to draw up recommendations:

- officers are liaising with Herts Police regarding known hotspots of crime or ASB and gaps in coverage

- officers will seek the views of the town councils regarding the location and movement of cameras.

Governance review

2.12　At its inception, the shared service established a governance structure which incorporates:

- an Officer Management Group with officers from each partner authority and

- a Joint CCTV Executive consisting of three members from each partner authority.

2.13 Stevenage BC provides the secretariat function for these bodies.

2.14 Over time, these governance arrangements have fallen away to some extent such that there have been no meetings of the Officer Management Group for at least two years and the Joint CCTV Executive meetings which should be held on an annual basis have, on occasion, be held less frequently.

2.15 At the same time, separate governance arrangements for the shared service's trading company have been established. It was originally set that each partner authority would nominate two directors to the company board although it is understood that through mutual agreement this has since reduced to one director per authority.

2.16 Although the company's quarterly meeting schedule appears to have been maintained and the directors have received reports on the business plan, questions have recently arisen over the quality of information presented to enable directors to effectively discharge their duties under the Companies Act 2006.

2.17 Concerns among partners about the governance of both the shared service and the trading company were aired by members at the Joint CCTV Executive meeting held on 19 February 2018. This has led to Stevenage BC launching a governance review, the first stage of which has been a review of current practice conducted by the Shared Internal Audit Service, SIAS. The company's directors are supportive of the governance review as they are keen to ensure the operation of the company is fit-for-purpose.

2.18 Stevenage BC is leading this review given that they host the shared service, although partner authorities are participating and Stevenage is sharing results as they come forward. Stevenage anticipates the review being completed later this autumn.

Financial arrangements

2.19 The financial model for the shared service and the accounting of the trading arm has been determined by Stevenage BC. In overall terms:

- Stevenage determines the overall cost to provide a CCTV monitoring service

- Stevenage apportions fixed costs between the shared service and the trading company

- dependent on the number of cameras each partner has, Stevenage then recharges each partner a fee

- costs to repair or replace individual cameras are billed to the appropriate partner authority

- at the end of each year, Stevenage determines whether the trading arm has made a profit or a loss and provides a dividend to each partner authority or seeks a contribution from each accordingly.

2.20 In 2006/07, when East Herts joined the CCTV Partnership, the costs were around £3,000 per camera. With 37 cameras, this equated to around £111,000 per year. As noted above, Hertsmere joined in 2011. At the time, it was anticipated that the ensuing economies of scale would lead to a decrease in East Herts' annual costs of between £13,000 and £18,000 and this appear to have been borne out.

2.21 Costs will vary slightly each year to take account of the level of commercial activity by the Partnership's trading company and in-year repair costs met by East Herts. Also, Stevenage's charges increase by inflation each year. That said, the costs for East Herts have remained relatively stable in recent years:

- 2015/16 = £108,524

- 2016/17 = £109,265

- 2017/18 = £109,920.

2.22 Some costs are recharged to the town councils as appropriate.

2.23   Discussion among officers of the partner authorities in preparation for the governance review has indicated that these financial arrangements, including in-year forecasting, could be improved in terms of transparency and oversight and so the financial model will be included in the governance review discussed above.

Next steps

2.24   Officers believe that there are more opportunities for the Partnership to generate income for its constituent authorities through more commercial activity and that there is scope for efficiencies from reviewing day-to-day operations. The two reviews currently underway will be instrumental in identifying the potential scope for income growth and operational efficiencies and will enable officers to better understand any barriers to such efficiencies and growth.

2.25   Officers would be happy to bring the outcome of these two reviews – operational and governance – to a future Overview and Scrutiny Committee meeting to share the findings and seek members' views.

3.0   Implications/Consultations

3.1   Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives *(delete as appropriate):*	Priority 1: improve the health and wellbeing of our communities – CCTV is a key element of maintaining of community safety Priority 3: enable a flourishing local economy – CCTV has distinct benefits in reducing and detecting anti-social and criminal behaviour perpetrated against local shops and other businesses
Consultation:	The contents, in part, arise from considerable discussion at the two CCTV Joint Executive meetings held this year and dialogue between the Head of Housing and Health and the Assistant Director – Communities & Neighbourhoods at Stevenage BC
Legal:	Simon Aley, Interim Legal Services Manager has provided Legal oversight of the report. His comments have been incorporated
Financial:	Nicola Munro, Finance Business Partner, has provided Finance signoff
Human Resource:	There are no TUPE implications.
Risk Management:	The two reviews referred to in the report each have their own risk management arrangements
Health and wellbeing – issues and impacts:	CCTV is a key element of maintaining of community safety and CCTV has distinct benefits in reducing and detecting anti-social and criminal behaviour perpetrated against local shops and other businesses

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