

**CABINET - THURSDAY, 16 JULY 2015**

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**LATE AGENDA ITEM(S)**

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**COMMENTS FROM THE OVERVIEW AND SCRUTINY PANEL  
(ENVIRONMENTAL WELL-BEING) MEETING ON 14TH JULY 2015**

**5. SHARED SERVICES OVERVIEW**

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**COMMENTS FROM THE OVERVIEW AND SCRUTINY PANEL  
(ENVIRONMENTAL WELL-BEING) MEETING ON 14TH JULY 2015**

**AGENDA ITEM:****5. SHARED SERVICES OVERVIEW**

The Panel received a Shared Service Overview report by the Managing Director, setting out the overarching principles to apply to proposed shared services for Legal, ICT and Building Control.

Members queried whether the initial agreement of 5 years, with reviews scheduled for years 2 and 4, is an appropriate term. It was explained that a 5 year term fits with the councils' financial planning cycles and scheduled review points would provide an opportunity for testing whether the aims of the shared services were being delivered. However, the shared ambition for the shared services is a long-term arrangement and it is hoped that dispute resolution measures outlined in the report would resolve any issues between parties.

Members stated that they would have expected the report to provide more information on risks if circumstances changed or a shared service was found not to be a suitable option after being set up. Members sought assurance that such risk and associated costs were fully understood if there was a need to opt-out.

Members considered that there is a need to ensure that basic ICT support between councils is adequate and that systems will work together as ICT problems could present a serious risk to service delivery, as has occurred when Central Government has introduced various high profile systems. The Panel was told that this is why ICT is one of the first services to be shared so a common IT service will be put in place to support the other shared services across the whole geographical area. Principles being agreed will mean software adopted across all three councils will not be new to all of the councils, taking a best fit approach to existing systems.

Scrutiny arrangements for shared services were discussed as they would like the ability to review and approve any changes proposed by other councils. It was confirmed that all three leaders would sit on the proposed Joint Committee but arrangements would allow each authority's scrutiny panels to 'call in' or request items on shared service matters if appropriate. Budget savings through shared services would appear in each council's budget reports.

Subject to the following additional recommendations, the Panel recommended that Cabinet approve the recommendations in the report.

- The Panel recommended that Cabinet considers whether the full cost of an exit strategy and associated risks if any of the shared services are dissolved are known and understood.
- The Panel recommends that Cabinet considers the need to ensure that the costs of introducing any new ICT systems to support the shared services are well managed.
- The Panel recommends that Cabinet considers whether the safeguards in the sovereignty guarantee are sufficient to allow the Council's Overview & Scrutiny Panels to scrutinise topics related to shared services.

#### **5.c. BUILDING CONTROL SHARED SERVICE BUSINESS CASE**

The Panel received a report by the Managing Director, presenting the business case for the proposed Building Control shared service and including details of the financial savings expected.

The Panel was informed that different legal parameters applying to the Building Control service mean that the focus of the shared service is on resilience rather than just financial savings. The service operates in a commercial environment with private sector competitors and cannot make a profit from fee-earning activities over each rolling 3-year period. This means savings in delivering these activities reduce the amount of income that can be taken. However, the proposal includes savings on non-fee earning activities which aren't limited in the same way and seeks to improve resilience in staffing, ensure the service can respond rapidly to work requests. It would provide staff with more development opportunities and more varied and rewarding work.

It was explained that there will be an assessment of two ICT systems currently used by the three councils to determine which is most appropriate. This means that the system adopted for the shared service won't be a new system for all but will be one that is supported and some already work with.

Members suggested that creating a Building Control shared service would present an opportunity to change the perception of how the public sector delivers these services.

The Panel recommended that Cabinet approve the recommendation in the report.