

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) held in CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN on Thursday, 9 January 2014.

PRESENT: Councillor T V Rogers – Chairman.

Councillors P L E Bucknell, G J Bull,  
E R Butler, K J Churchill, S Greenall,  
R Harrison, P G Mitchell, M F Shellens and  
A H Williams.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors S Akthar and S Cawley and Mr R Eacott.

### **67. MINUTES**

The Minutes of the meeting held on 5th December 2013 were approved as a correct record and signed by the Chairman.

### **68. MEMBERS' INTERESTS**

No declarations were received.

### **69. NOTICE OF KEY EXECUTIVE DECISIONS**

The Panel considered and noted the current Notice of Key Executive Decisions (a copy of which is appended in the Minute Book). Members were informed that the items entitled 'Service Delivery Options', 'Budget & MTP' and the 'Treasury Management Strategy' would be submitted to their next meeting. A meeting of the Corporate Plan Working Group had been held on 18th December 2013 and the Chairman reported that progress had been made with the preparation of a new Corporate Plan.

With regard to the forthcoming item on the 'Pay Review Framework', the Chairman explained that employment issues were normally dealt with by the Employment Panel.

### **70. LOCAL GOVERNMENT SHARED SERVICES**

*(Councillors Mrs B Boddington, R C Carter, R B Howe and Ms L Kadic, were in attendance for the discussion on this item).*

*(Councillor G J Bull left the meeting at 20.15pm during the discussion on this item).*

Pursuant to Minute No.13/61, the Chairman welcomed Messrs Quentin Baker, Director of Law, Property and Governance, and Mr Ian Farrar, Director of Information Technology Services who had been invited to give a presentation to the Panel on Local Government

Shared Services (LGSS). As part of the presentation, Members were provided with details of LGSS' business scope and services, its key objectives, its customers and partners and the work which was ongoing to develop a business case for sharing Information Technology (IT) and Legal Services with the District Council.

Having been informed that LGSS was established in October 2010 as a shared services partnership jointly hosted by Cambridgeshire and Northamptonshire County Councils, Members were advised that its management arrangements comprised a Joint Committee and a Partnership Board involving elected Members from partner authorities. Should Huntingdonshire District Council choose to share its services under a Partnership Delegation Agreement, it would be offered representation on the Partnership Board. Information was then provided on the relationship between the Joint Committee and the Partnership Board and the ways in which the latter could influence the elected Members from the founding authorities.

Having noted that LGSS currently employed in excess of 1100 full time equivalent staff, Members were provided with details of the scale of its activities. LGSS had adopted a five year strategic plan and primarily operated within Cambridgeshire and Northamptonshire. The success of LGSS in providing corporate 'back office' resources derived from its ability to broker better deals through economies of scale. LGSS operated on an 'at cost' basis and Members were reminded of the arrangements for the distribution of any surpluses.

Members requested details of the ways in which savings were achieved. Having been informed that significant benefits were obtained from economies of scale, discussion took place on the size of the professional services offered by the LGSS Legal and IT divisions. Members were informed that the ability of the Legal team to undertake work had increased significantly in recent months. There were 180 staff within the IT Division which enabled the organisation to adopt a flexible approach towards such matters as out of hours working arrangements.

Members questioned what LGSS' approach was to outsourcing its activities. LGSS currently had a number of contracts running, but it was intending to bring them back in-house.

A Member asked what effort was put into improving internal processes to deliver better returns. In response, the Panel was informed that productivity had improved by 15% over the first two years of operation. Specific examples of improved processes within IT Services and in the revenues and benefits services at Norwich City Council were provided. Following a further question about the point at which LGSS would experience diseconomies of scale, the Panel noted that this would vary by service.

The Panel was assured that LGSS tried to share best practice amongst its constituent organisations rather than impose its own practices on them. The existing arrangement for the provision of HR, Payroll and Organisational Workforce Development services and the revenues and benefits service at Norwich City Council were cited as examples to support this point.

Having been advised of the approach which had been adopted to the development of a joint business case for sharing IT and Legal services between the District Council and LGSS, the Panel was informed that the ways in which further savings would be delivered during the life of the agreement would be specified. This was different from the HR, Payroll and Organisational Workforce Development arrangements because, under the new agreement, the level of savings which were achieved would be reflected in the benefits to both parties.

It was expected that the detailed business case shortly would be submitted to Overview and Scrutiny, Cabinet and full Council. A detailed partnership agreement would then be developed. Either party would be able to withdraw from the agreement simply by giving notice for a specified period. However, Members accepted that it would be difficult to return to the status quo once the agreement had been made.

The Panel referred to the mechanisms through which LGSS could be held to account. The Managing Director assured Members that the Authority would ensure the business case was sustainable and it would act as an 'Intelligent Client' during the development of the partnership agreement specification requirements and the management of the delivery of the services. A number of matters were discussed with regard to the operation of the agreement, specifically how the legal arrangements would operate to avoid conflicts of interest and the interface between the two parties relating to the provision of IT services.

Councillor M F Shellens suggested that the Panel should be given sight of any potential agreement, including the arrangements for profit saving, before it was signed. He also expressed concern about the way in which the Authority, which had already reduced its establishment, would continue to make savings, particularly at a time when Government grant was reducing.

Having been informed of extent of LGSS' discussions with other Councils within the County about further potential agreements, the Chairman emphasised the benefits which any partnership arrangement with Huntingdonshire District Council might offer to LGSS.

The Chairman thanked Mr Baker and Mr Farrer for their attendance at the meeting.

## **71. FACING THE FUTURE UPDATE**

The Chairman delivered an update on the Facing the Future process. The Overview and Scrutiny Chairmen and Vice-Chairmen had met on 18th December 2013 to review the complete list of potential savings and discuss the priorities that items might be accorded. Further meetings would be held on 9th and 16th January 2014. The Council's Chief Officer Management Team would be present at the latter meeting. It was noted that an informal Cabinet away-day had been arranged for late January 2014 to enable Executive Councillors to

consider the outcome of the Panels' deliberations and their own priorities. Reports on progress would then be submitted to Overview and Scrutiny and to the Cabinet in February 2014.

Members enquired whether it was yet possible to gauge the level of savings that the exercise had generated. The Panel was informed that many of the straightforward issues would be incorporated within the 2014/15 Budget and Medium Term Plan and that those matters which required further investigation would be fed in as appropriate when they had been further developed.

In response to a question as to whether the Council's Corporate Plan would need to be re-visited in light of the Facing the Future process, the Panel was informed that a new Corporate Plan was being developed to bring together the Authority's business and financial planning cycles. It was envisaged that this would be launched in April 2014.

## **72. WORKPLAN STUDIES**

The Panel received and noted a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) containing details of studies that were being undertaken by the Overview and Scrutiny Panels for Social and Environmental Well-Being.

## **73. OVERVIEW & SCRUTINY (ECONOMIC WELL-BEING) - PROGRESS**

The Panel received and noted a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) reviewing progress on matters that had been previously discussed. Members' attention was drawn to the outcome of the audit on Electronic Document Management. A link to the final report was contained within the report by the Head of Legal and Democratic Services. It was also reported that the date on which representatives from the Local Enterprise Partnership would be invited to give a presentation to the full Council meeting had not yet been confirmed.

With regard to the development of the new Corporate Plan for the Authority, Members were of the opinion that the Council should distinguish between 'must have' activities and those that were 'nice to have'.

In terms of the Panel's ongoing work programme, namely the studies on Communications, Shared Services and Estates, it was agreed that these should remain on hold, pending the outcome of the Cabinet's recommendations on the Facing the Future programme.

## **74. SCRUTINY**

The Panel considered and noted the latest edition of the Decision Digest (a copy of which is appended in the Minute Book).

Chairman