

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: **SHARED SERVICES BUSINESS PLANS AND TERMS OF REFERENCE FOR THE JOINT GROUP**

Meeting/Date: Overview and Scrutiny Panel (Finance and Performance) –
7th April 2016
Cabinet – 21st April 2016

Executive Portfolio: Executive Leader

Report by: Corporate Director – Services

Ward(s) affected: All Wards

Executive Summary:

This report is intended to present the business plans for the ICT, Legal and Building Control Shared Services for the period 2016/17, the principles of which were agreed through the detailed business cases approved by Cabinet in July 2015. The report also introduces the Terms of Reference for the Member Board that forms the strategic part of the governance arrangements and is to be known as the Shared Services Joint Group.

Recommendations:

The Overview and Scrutiny Panel is invited to:

Make comments on the business plans for each of the shared services attached at Appendix 1 and the Terms of Reference for the Shared Services Joint Group.

The Cabinet is:

RECOMMENDED

- 1) To approve the business plans for each of the shared services attached at Appendix 1.
- 2) To approve the Terms of Reference (see appendix 2) for the Shared Services Joint Group, to enable that Group to operate in a formal committee setting from September 2016, prior to which, they will continue to be held on a quarterly basis in shadow format.

1. PURPOSE OF THE REPORT

- 1.1 To approve the draft Business Plans and Terms of Reference for the Shared Services Joint Group.
- 1.2 This is not a key decision it is an opportunity to approve the Business Plans for the shared Building Control, Legal and ICT and the Terms of Reference for the Shared Services Joint Group.

2. BACKGROUND

- 2.1 In July 2015, Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council each approved an Employing Authority model for shared services, where an agreed lead council would be responsible for the operational delivery of a service. It was also proposed that impacted staff would be employed by the lead council via a Transfer of Undertakings (Protection of Employment Regulations) or TUPE Transfer as it is more commonly known.
- 2.2 The business cases to allow Building Control, ICT and Legal shared services to move forward were approved at the same time and as a result, the three proposed shared services formally consulted with impacted staff and their representatives over the summer. Subsequently, preparations were made for the implementation phase, with a go-live date of 1st October 2015 (the date from which the nominated lead councils would become the Employing Authority and staff would transfer).
- 2.3 On 1st October 2015, Cambridge City became the Employing Authority for Building Control and Legal Shared Services and Huntingdonshire became the Employing Authority for ICT Shared Services. All impacted staff from each service successfully transferred under TUPE to their new employer, where they were not already employed by the lead council.
- 2.4 The three councils had previously agreed that the achievement of the following outcomes is primary objective of sharing services:
- Protection of services which support the delivery of the wider policy objectives of each Council
 - Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service
 - Savings through reduced managements costs and economies of scale
 - Increased resilience and retention of staff
 - Minimise the bureaucracy involved in operating the shared service
 - Opportunities to generate additional income, where appropriate
 - Procurement and purchasing efficiencies, and
 - Sharing of specialist roles which individually, are not viable in the long-term
- 2.5 Since the go-live date of 1 October 2015, each shared service has been working to review staffing structures, working practices and overall service provision in order to deliver the desired outcomes of the shared service partnership, as outlined above.
- 2.6 A key part of the service reviews has been the development of a set of forward-looking business plans that set out the key priorities, objectives, activities and measures of success for each service. These can be found at Appendix 1. It is

recommended that the business plans are approved to enable the shared services to work to an agreed direction and deliver against an agreed set of objectives.

- 2.7 At the same meeting in July 2015, approval was given for the establishment of a Joint Committee without delegated powers the purpose of which is to oversee and provide advice on the delivery of the shared services, with the Leader of each Council being the nominated representative.
- 2.8 A Sovereignty Guarantee was also endorsed by each council, detailing how they would still safeguard local autonomy in respect of continuing to elect local councillors; making its own decisions on council tax; publishing its own budget and accounts and setting its own spending priorities, whilst operating within a shared service partnership arrangement.
- 2.9 The July 2015 report specified the need to ensure strong governance arrangements to oversee service delivery. Since then, the officer governance arrangements, which were already working well, have been further strengthened with three nominated Corporate Directors (one from each partner council) jointly overseeing the direct delivery of shared services, holding each of the Heads of shared service to account. The directors routinely report to the Chief Executives' Board to enable any cross-cutting issues to be dealt with swiftly and effectively.
- 2.10 Prior to the July 2015 report, the three Leaders had been meeting regularly to review progress of the proposed shared services. The report identified the need to formalise this role of the three Leaders, not least to ensure transparency and clarity. It was agreed that this formalisation would be via the establishment of the Joint Committee mentioned at point 13 above.

3. COMMENTS OF OVERVIEW & SCRUTINY

- 3.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

4. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 4.1 Following approval of the business plans, they will be implemented within each shared service and guide the direction of the service and its teams.
- 4.2 The Head of each shared service will be responsible for the overall operation of that service, the delivery of the business plan and achievement of performance and financial targets.
- 4.3 The business plans are evolving, live documents that will change over time as stronger platforms for shared management information are built and shared service working practices and structures are reviewed.
- 4.4 The recommendations set out above allow any final changes to the Shared Service business plans to be made via delegation to the Corporate Directors in conjunction with the Leaders.
- 4.5 Going forward, the agreed role and remit of the Joint Committee (to be known as the Shared Services Joint Group), will be to provide advice and oversight, to challenge and recommend for endorsement the shared service business plan and budgets. They will act as an advisory body to the three councils only.

- 4.6 It is intended that the three Leaders will continue to meet on a quarterly basis as the Joint Committee in a shadow format until September 2016, when Group will become fully constituted and operate as a public meeting from then onwards.
- 4.7 The terms of reference for the Joint Committee which will be known as the Shared Services Joint Group, can be found at Appendix 2. It is recommended that they are approved to enable the Shared Services Joint Group to be fully constituted and operational from September 2016. The meetings will continue on a quarterly basis in shadow format until then.
- 4.8 The Shared Services Joint Group will be asked to endorse annual reports, annual budgets, business plans and proposals for potential shared services prior to Cabinet approval at each Council. The Joint Group will also report to each Council's Cabinet periodically on performance of the shared services.

5. LINK TO THE CORPORATE PLAN

- 5.1 The recommendations relate to the Corporate objective of '*to become more business-like and efficient in the way we deliver services*'.

6. CONSULTATION

- 6.1 Significant consultation with staff, Unions and Staff Council took place during the establishment of the Shared Services.

7. IMPLICATIONS

- 7.1 There are no significant implications

8. LIST OF APPENDICES INCLUDED

Appendix 1 - Shared Service Business Plans
Appendix 2 - Draft Terms of Reference

BACKGROUND PAPERS

No background papers were relied upon in writing of this report.

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