

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 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 Business Plans for the shared Building Control, Legal and ICT Services 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 1st 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 Executive Member for Commercial Activities explained that shared services are one of the main activity streams intended to deliver the savings planned in the Council's budget. The business plans are live documents so will be updated throughout the year.

It was confirmed that the intention was to secure a single ISO accreditation to cover the whole Building Control service. A business process re-engineering resource has already been allocated to help improve processes and achieve the accreditation with a target validation date of March 2017.

A Member was concerned that local authorities will stop providing Building Control services and asked if there was a plan for dealing with increased competition from the private sector. The Panel was told that options such as setting up a trading company had been considered initially but it was decided to proceed with a shared service instead. Local authorities are required to provide certain statutory services that wouldn't be provided by private sector. The Building Control Shared Service should be more resilient than three separate services and the business plan takes the market into account. A risk register is being maintained to identify and manage risks.

Members were informed that the business plan for the ICT Shared Service includes standardisation and adoption of common systems. For example, a new financial management system is being procured to underpin everything that all three councils do. There has already been a lot of progress made in improving systems to allow staff to work more flexibly and remotely.

A Member asked whether the plans considered the demand for information by people unable or unwilling to use computers. In response, the Panel was informed that the ICT Shared Service's main focus is on supporting Council

services to be more efficient and effective and this includes supporting a move to greater self-service and digital service delivery. It was also pointed out that increasingly the public are accessing services not from computers but from their smartphones. The Council's Customer Service Strategy recognises the need to understand customer needs and provide information and services in accessible ways and the shared service will aim to support various service delivery channels including telephony and face to face service delivery.

A Member commended the three councils for being bold in trialling shared services as a way of saving money through an increasingly business-like approach.

In discussing the business plan for the Legal Shared Service, a Member asked if legal services provided by LGSS were being used by the Council. It was confirmed that a call off contract for legal support and advice available to the shared service does include LGSS, but that LGSS were not a partner in the shared service.

The Terms of Reference for the Joint Group are part of the governance structure setting out the delivery aims for the three shared services. Scrutiny responsibilities are explained and individual Members will have the opportunity to ask questions. When asked if their questions will be answered, the Corporate Director (Services) explained that the Terms of Reference set out a standard protocol for asking questions and that performance against the clearly defined KPIs for each service will be reported to Scrutiny and Cabinet so the services can be properly held to account. The Business plans and budget proposals for shared services will also be reported to Scrutiny and Cabinet annually. There are significant savings to be delivered and these will also be reported to Members.

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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