

Shared Services Joint Committee

Monday, 20 June 2011

Present: Councillor Phil Hamman (Chair), Councillor Kevin Joyce (Chorley Council) (Vice-Chair) and Councillors Colin Clark (South Ribble Council) and Geoffrey Russell (Chorley Council)

Officers: Garry Barclay (Head of Shared Assurance Services), Susan Guinness (Head of Shared Financial Services), Gary Hall (Director of Transformation) and Andy Houlker (Senior Democratic Services Officer-South Ribble BC)

Also in attendance: Councillors Councillor Derek Forrest (South Ribble Council)

11. APPOINTMENT OF CHAIRMAN

UNANIMOUSLY RESOLVED:

Councillor Hamman be appointed Chairman for the municipal year 2011/12.

(Councillor Hamman took the chair)

12. APPOINTMENT OF VICE-CHAIRMAN

UNANIMOUSLY RESOLVED:

Councillor Joyce be appointed vice-chairman for the municipal year 2011/12.

13. APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor Mr P Wilson (Chorley BC).

14. DECLARATIONS OF INTEREST

There were no declarations of interest.

15. MINUTES OF THE LAST MEETING

It was noted that under min. no.31 (Business Improvement Plan & Budget 2011/12) there was an action to agree any minor amendments with the new Chairman of the committee.

UNANIMOUSLY RESOLVED:

That the minutes of the meeting held on 24 January 2011 be signed as a correct record.

16. FINANCIAL & ASSURANCE SHARED SERVICES ANNUAL REPORT 2010/11

The committee received its outturn report for 2010/11 which covered the second complete financial year of the partnership's operation.

The committee's attention was drawn to the number of areas in highlights and achievements on page 5 and areas of success from last year on page 6 of the report.

The majority of planned service developments and projects had been delivered (28 out of 34) and those not had been included in the Business Improvement Plan (BIP) 2011/12.

The committee noted with interest that this shared services partnership was the first to use a combined financial management system for the constituent councils. As a result system's provider (Civica) had kept a close interest and assisted the councils in the project. It was also noted that significant ongoing savings could be made by using a common platform which reduced separate licence fees. Also whilst the budgeted cost of implementation had been circa £300,000, the actual expenditure was circa £100,000. It was suggested that this innovation should be publicised by the partnership not Civica.

The 2010/11 BIP had 41 performance indicators and using the traffic light system, the year-end out-turn position was shown on page 8 of the report. This showed those on target (Green) were 10 out of 14 for Shared Assurance Services and 18 out of 27 for Shared Financial Services (details were in the appendix to the report).

The committee was informed that the follow-up process for percentage of agreed management action implemented on time was to be strengthened to provide more information to the councils' respective Audit and Governance Committees.

In respect of Shared Financial Services the dip in staff satisfaction was felt largely due to it being conducted when the service was being re-structured. Also three responses represented 10%. In respect of the period-end closure (75% out of 100%) those exceeding the target were no more than two or three days. During the discussion, the committee was informed that the target relating to credit notes (Chorley BC only) was not being carried forward into next year.

Whilst it was initially thought the cost associated with the re-structuring of Shared Financial Services was an over spend during 2010/11, this was carried out after the budget had been set and was in fact undertaken within the 2010/11 budget. During the discussion the committee was informed that it was important report additional/new items against the year's original budget and not to revise it.

The shared services partnership had now operated for two full years and had been proved to work and was developing well with motivated staff and deliver projects. It was now appropriate for the partnership to look at the next phase, involving the councils' Revenues and Benefits Services contributing to additional savings. The committee was very appreciative of the partnership staff's achievement in their professional approach, overcoming obstacles and making the partnership a success. The initial work (Phase 1) regarding the work on the Revenues and Benefits Services had been completed and work was ongoing with Phase 2 and a report could be presented to the next meeting of the joint committee.

UNANIMOUSLY RESOLVED:

1. That the Annual Report be accepted and the good progress being made by the partnership be acknowledged;
2. That the committee's appreciation of partnership staff's efforts be conveyed; and
3. That a report regarding the Revenues and Benefits Services be presented to the next meeting of the committee.

17. NEW EXTERNAL AUDIT ARRANGEMENTS

(a) Appointment of External Auditor

The committee was informed that whilst the councils' shared services had previously been subject to a full audit of accounts a new 'lighter' touch regime was now to be

applied for 2011/12. This was essentially due to the threshold for smaller relevant bodies being increased from £1M to £6.5M which were subject to a limited audit. Also the Audit Commission had now appointed BDO LLP as the shared services' external auditor for a two year period starting with the audit of the 2010/11 financial statements. This new approach would save about £4000 per annum.

UNANIMOUSLY RESOLVED:
That the information be noted.

(b) Shared Services Annual Audit Return 2010/11

In conjunction with the new audit regime mentioned in (a) above, the committee received a copy of the completed Annual Return for the year ended 31 March 2011. Whilst the committee welcomed the concept of a limited audit for shared services, it was very disappointed that an external auditor had been imposed (without question) despite previously understanding it would be able to procure its own external auditor. Whilst there was an annual saving the fee (approximately £3000) had also been imposed for what was a very limited amount of work (no site visits etc). It was felt that the Audit Commission be informed of the committee's disappointment with the arrangements and process.

The committee was informed that the reason there was a difference in the figures in Section 1(6) compared to the Annual Report (min. no.6) was the inclusion of employee related insurance.

UNANIMOUSLY RESOLVED:
That subject to officers being given delegated authority to express the committee's comments, the Annual Audit Return 2010/11 be noted.

18. FORWARD PLAN

The committee received a copy of the Forward Plan.

In view of the close proximity of the committee's meetings on 26 September and 17 October 2011, the meeting in October be cancelled and its business be dealt with on 26 September. In stead of being an item for discussion at a future meeting, it was felt more appropriate for the Project Initiation Document relating to the Revenues and Benefits Services to be circulated to members of the committee. Also that the agenda for the next meeting 26 September 2011 include an item relating to the councils' Shared Revenues & Benefits Services.

UNANIMOUSLY RESOLVED:
1. That the committee's Forward Plan be amended in line with the comments expressed; and
2. That a copy of the Project Initiation Document relating to the Revenues and Benefits Services be circulated to members of the joint committee. The committee received a copy of the Forward Plan.

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Chair