

REPORT TO	ON
Shared Services Joint Committee	3 March 2020



TITLE	REPORT OF
Shared Services Agreement Update	Director of Governance (Chorley Council)

Is this report confidential?	No
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PURPOSE OF THE REPORT

1. To provide members of the Committee with an update on the preparation of a new Shared Services Agreement which will be amended to reflect the changes to the shared services provision and improved based on experiences.

RECOMMENDATIONS

2. That the approaches taken to the shared services agreement and the principles used to expand the role of the of the Joint Committee be agreed.

EXECUTIVE SUMMARY

3. This report updates members on the proposed principles used in the preparation of and the content of the amended Shared Services Agreement. A copy of the current draft (which is not in its final form) is attached.
4. Joint Committee are not asked to approve the document as this is a council function but to approve the principles used in its preparation.

CORPORATE OUTCOMES

5. The report relates to the following corporate priorities:

Excellence, Investment and Financial Sustainability	X
Health, Wellbeing and Safety	
Place, Homes and Environment	

Projects relating to People in the Corporate Plan:

Our People and Communities	
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BACKGROUND TO THE REPORT

6. Shared Services was established between SRBC and CBC in 2007 and the councils adopted an Agreement which met the needs of them at that time. The agreement on the whole has worked well and served its purpose, however its content has not been reviewed or amended since the inception. There are two drivers to update the agreement: -
 - a. The extension of the scope of shared services; and
 - b. Issues that have arisen during the period of shared services which are not specifically addressed by terms within the agreement.

The extension of shared services significantly increases the number of staff shared by the Councils and therefore requires more significant governance arrangements to account for this. In addition, both Councils have committed to the further extension of shared services between them and the changes provide a mechanism for this.

7. The final issue relates to the deficiencies in the current agreement in particular in relation to the non-employing council's responsibilities to staff within the shared service, and indeed given the intentions around closer working between the councils, the wider staff establishment.
8. The Councils have retained external solicitors to update the draft and it has been considered by the Monitoring Officers of both councils. The current draft (which is not yet in final form) is appended to this report.

PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT)

9. Members will note that the agreement is split into a main body and schedules. It is not intended to go through the whole detail of the document but to identify key changes within it to the existing document and to explain and seek agreement to the principles used and approaches identified. Sections of this report will relate to the format of the draft agreement.

THE AGREEMENT (MAIN BODY)

10. This is essentially the terms of the contract between the Councils. Many of these contractual terms follow those that exist within the current shared services agreement. The main points to note for change are: -
 - a. Paragraph 4 Financial Arrangements. At present this mirrors the existing agreement referencing shared services on a purely financial basis, considering a monetary cost of service delivery only, a balancing payment mechanism. The intention is to amend this provision to reflect the desire to extend shared services in a planned way. It is proposed to replace the Resources Plan requirement with a wider Business Plan which Joint Committee will have overall responsibility for. This will still contain a resources plan looking at current financial need for the services, but will allow for resources to be allocated to the planning of the extension and subsequent implementation of any changes to shared services.
 - b. Paragraph 10 Standing Orders. Members will note (and this will be addressed later in the report) that the proposed Agreement gives a greater role to the Joint Committee in the management and oversight of the Shared Services. It is therefore necessary to have clear governance arrangements for the meetings of this

Committee. The clause introduces the proposed Standing Orders and these will be considered in more detail under Schedule 1.

- c. Paragraph 12 Liabilities. This clause is specifically amended, with the councils agreeing to indemnify each other in the event of a third party claim being brought as a result of their conduct. As stated above this was to specifically address the situation where the conduct or actions of a non employing council have led to a claim being brought.
- d. Paragraph 14 Staffing. Although not an amendment it ensures that the employing councils retains authority over their posts whilst meeting shared services obligations over co-operation.
- e. Paragraphs 15 and 16 Costs and Liabilities in respect of the Joint Committee and Funding in relation to the Joint Committee. These are clauses which are to provide for the development of the role of the Joint Committee and may not have immediate effect but will enable the Joint Committee to receive funding directly if they are to lead on development of future shared services work.
- f. Paragraph 24 Data Processing. This has been substantially updated to reflect the requirements introduced by the General Data Protection Regulations.
- g. Paragraph 25 Scrutiny and Audit. At the request of the Council's respective leaders there will be mirrored scrutiny and audit functions which will oversee the operation of the Joint Committee.

Schedule 1 – Constitution of the Joint Committee

- 11. To recognise that the function and scope of the Joint Committee is proposed to be extended a proper constitution has been prepared which provides a governance framework for the work and decision making of the Joint Committee. This largely mirrors the standing orders of the Partner Authorities. Whilst this may appear formal, the rules can of course be waived but will provide a strong decision-making framework that is both robust and transparent.
- 12. The Committee are asked to consider paragraph 31. As part of the extension of the scope of responsibilities for the Joint Committee it is asked to oversee performance of the existing shared services but also consider through a business plan proposals for the extension of shared services. It is important that the partner authorities have some ability to call in decisions of the Joint Committee for consideration by their own Executive. This is specifically addressed by this paragraph. This helps to maintain the sovereignty of each council.
- 13. The proposed wording for this paragraph mirrors the statutory call in process as the proposal is to delegate executive functions to the Joint Committee. It is suggested that whilst the Chair of Overview and Scrutiny has some discretion over where to direct call in's for consideration these should be referred to the Executive Cabinets of both authorities. A procedure document will be required to reflect this.

Schedule 2 – Functions and Scope of Responsibility

14. This extends the scope of responsibility of the Joint Committee to include not only the existing and new services but also for: -
- a. Management and Performance
 - b. Preparation and delivery of a Shared Services Business Plan
 - c. Development of proposals for the extension of shared services.

15. This extension recognises that formerly, the decision making processes were cumbersome and actually discouraged the further development of shared services with it being unclear who was driving any works. There was no single body authorised to do this or to receive proposals which would then be perceived as coming from one authority or the other undermining the shared approach. By extending the function of the Shared Services Joint Committee, to place this work within its scope, any proposals developed are immediately “shared”.

16. It is still the intention that all proposed changes should be approved by the respective Councils as can be seen within the Constitution at Schedule 1.

17. This provision is not making the Joint Committee wholly autonomous, and they will have to work within the parameters set by the 2 councils. However, having a single decision making body to develop these proposals will simplify and speed up the process, whilst ensuring that the Councils themselves actually make the decision on implementation.

Schedule 3 – Shared Services

18. To reflect that there has been a significant change to the content of the teams within shared services they are listed in their respective tables.

Schedule 4 – Support Services

19. Confirms which authorities will provide support to the Joint Committee.

Schedule 5 – Relevant Employees

20. This is a list of newly established posts who are in place prior to the 1 April, as opposed to the employees in Schedule 3 who are in existing posts.

Schedule 6 – Exit Management Plan

21. This was absent from the existing shared services agreement and whilst it is not expected to be used it is good practice to have this in place.

Schedule 7 – Business Plan

22. It is proposed that the Shared Services Joint Committee should develop a business plan which will ensure that the Partner Councils’ priorities will be met by the shared service resource and demonstrate how the performance of Shared Services will be monitored.

23. It will also include a plan for the development of shared services which will include (but not be limited to) which other services should be included within shared services.

24. It is further proposed that the form of this business plan should be the responsibility of the Joint Committee.

Schedule 8 – Address for Service

25. This is a standard provision providing clarity for the parties on service of documents.

Schedule 9 – Data Processing

26. This is a template form to be used by the services and Councils to ensure we are complaint for the purposes of the GDPR and FOI legislation.

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

27. None

COMMENTS OF THE STATUTORY FINANCE OFFICER

28. Not applicable at this stage.

COMMENTS OF THE MONITORING OFFICER

29. Contained in the body of the report.

APPENDICES

Appendix A – Shared Services Agreement

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Director of Governance

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