

MINUTES OF SHARED SERVICES JOINT COMMITTEE

MEETING DATE Thursday, 11 January 2018

MEMBERS PRESENT: Councillor Colin Clark (Chair), Councillor Alistair Bradley (Vice-Chair) and Councillors Martin Boardman, Alistair Morwood, Peter Wilson, Foster, Peter Mullineaux, Councillor Margaret Smith and Matthew Tomlinson

OFFICERS: Gary Hall (Chief Executive), Garry Barclay (Head of Shared Assurance Services) and Dianne Scambler (Democratic)

APOLOGIES: Councillor Alan Cullens

OTHER MEMBERS: Councillor Councillor Phil Smith (South Ribble Council)

17.13 Apologies for absence

Apologies were received from Councillor Alan Cullens (Chorley Council)

17.14 Minutes of the last meeting of the Joint Committee held on 14 September 2017

RESOLVED – That the minutes of the Shared Services Joint Committee meeting held on 14 September 2017 be confirmed as a correct record for signing by the Chair.

17.15 Declarations of Any Interests

There were no declarations of any interests.

17.16 Performance Monitoring Report

The Committee considered a report presented by the Head of Shared Assurance Service and the Chief Executive for Chorley Council on progress in the delivery of key service developments and performance indicators contained in the 2017/18 Business Improvement Plan up to the end of November 2017 and including the Partnership's projected out-turn financial position. As Shared Services was launched in January 2009, 2017/18 is the ninth full financial year of the service.

Garry Barclay highlighted key issues as:

- 16 of the 24 projects for the year had been completed or were on track with plans in place to address the remaining 8.
- 28 of the 32 performance measures were on track; and
- there was a projected overall underspend of 0.022m.

Three projects were rated as Red:

- The new GRACE risk management software now largely embedded within the two councils to facilitate the **Review of Risk Management Frameworks** but production of Framework Documents had been put on hold pending implementation of the new management structures.
- The new CONNIE business continuity software was now largely embedded in services to **Enable and re-issue Business Continuity Plans** but work was still in progress to update the corporate level ICT disaster recovery plan.
- **Review of Management Accountancy processes.** Proposals for expanding Shared Services and the Review into Shared Financial Services was being progressed and would be brought to a conclusion upon clarity of agreed service delivery models across the two councils.

Although only South Ribble Council had met the deadline of Closure of Accounts by end of May 2017, in preparation for the new deadlines for the 2017/18 process it was explained that Chorley's delay was caused by one issue that was outside the control of Shared Financial Services. The CIPFA Cash Flow toolkit that is used to complete the Cash Flow Statement contained a fault with regard to the treatment of a land transaction applicable only to Chorley Council in 2017/18. Once identified, CIPFA needed to investigate and provide a fix.

Despite a few teething problems and the ongoing review of the Shared Senior Management structure the team are confident that the Statements of Accounts can be delivered to the earlier deadline of 30 May 2018. The dates for both Council's Governance Committees have also been brought forward to accommodate the new regime.

Although slightly off target the Committee was pleased to note that 82.86% of local suppliers were paid within 10 days.

RESOLVED – That the report be noted.

17.17 Exclusion of the Press and Public

RESOLVED – that the press and public be excluded for the remaining item of business due to the disclosure of exempt information under Paragraphs 1 and 3 of Part 1 of Schedule 12A to the Local Government Act.

17.18 Shared Services Update

Chorley and South Ribble had recently agreed in principle to significantly expanding their shared services and had previously agreed to share a series of senior management posts (including Section 151 Officer and Monitoring Officer), and sharing policy, communications, legal, HR and financial and assurance services. The aim being to move away from a traditional transactional focused managerial way of working to one that is strategic, flexible and resilient, developmental and focused.

Following the more detailed work that was undertaken in respect of the operating models for the extended services it became clear that it was possible to provide an alternative Senior Management Structure that was more cost effective and allows each individual organisation to maintain their own approach to the transformation stage. The new proposed structure would mean that the Deputy Chief Executive for Resources and Transformation will not now be shared as most of the transformation

work will be done individually, although the two councils will look to work collaboratively where appropriate.

In addition due to the scale and nature of sharing predominately transactional elements it is also possible to combine two of the Directors roles into one as there are limited opportunities to share Policy and Communications resources at this time. The shared services Directors will be the statutory Officers for both Councils, with one Director post having some responsibilities for non-shared service roles.

Therefore the shared services agreed to being in scope for phase one (2018) are:

- Legal Services
- Finance and Audit
- HR (transactional)
- Business continuity
- Emergency Planning

In addition Democratic Services for both council's will report into the Director of Legal Services. This is considered to be a well-established Leadership approach for both Shared and non-Shared Services operations and high performing teams. The approach maximises leadership capacity and also facilitates review and alignment of services that the councils may wish to bring under the shared services umbrella in the future.

Whilst staff will continue to be employed by their current employing council, a new Memorandum of Understanding and Agreement will be established and will clearly define how the employment contract for shared services employees is to be managed and resourced.

Each sovereign Council will need to manage its own transformational change agenda, developing new service delivery models, in line with resident need and political desire. Once this direction is understood, further discussions will take place to explore further opportunities to create efficiency of a shared service approach. Members agreed that it would be prudent for each Council to scope out a set of services that could be considered and agreed on by this Committee with the aim of progressing wider shared services proposals.

Some Members were disappointed that progress had slowed although it was accepted that there were different approaches by the two authorities. However, there was still a joint aim to develop a full shared services agenda at some point and both Councils agreed to discuss a joint programme of sharing opportunities at a future meeting.

Members also agreed that more meetings would improve relations and help each authority to better understand each other's direction of travel.

Before the vote was taken Councillors Paul Foster and Matthew Tomlinson stated that they wish to abstain.

RESOLVED:

- 1) **The report was noted.**
- 2) **The operating model outlined in the report was noted.**

- 3) Approval for the respective sovereign Councils to implement the alternative shared senior management restructure as detailed within the report.**
- 4) Approval to the convening of an urgent meeting of the new Shared Services Appointments Panel to agree the process and timescales for the two Statutory Officer and respective deputy posts.**
- 5) Approval of two reserve Members for each sovereign Council to be appointed to the new Shared Appointments Panel**
- 6) That subject to the appointment process, approval that detailed business plans for each of the services identified in section 5 be developed and brought forward to the Shared Services Joint Committee by early summer 2018.**
- 7) Approval to expand the scope of shared services as detailed in Appendix A of the report.**
- 8) Approval that both Councils develop a joint programme of sharing opportunities to discuss at a future meeting of the Shared Services Joint Committee in line with the previous aim for the two Councils to agree a joint aim to develop the full shared service agenda.**

Chair

Date