

MINUTES OF SHARED SERVICES JOINT COMMITTEE

MEETING DATE Thursday, 14 September 2017

MEMBERS PRESENT: Councillors Colin Clark, Paul Foster, Peter Mullineaux, Margaret Smith, M Boardman, A Bradley, A Cullens, A Morwood and P Wilson

OFFICERS: Heather McManus (Chief Executive), Garry Barclay (Head of Shared Assurance Services), Susan Guinness (Head Of Shared Financial Services), Gary Hall (Chief Executive) and Carol Russell (Democratic Services Manager)

OTHER MEMBERS: Councillor Phil Smith (Cabinet Member for Regeneration and Leisure)

PUBLIC: 0

1 Appointment of Chair and Vice Chair of the Joint Committee for 2017/18

RESOLVED – that Councillor Colin Clark (South Ribble) be appointed as Chair to the Shared Services Joint Committee and Councillor Alistair Bradley (Chorley) be appointed as Vice Chair for 2017/18.

2 Apologies for absence

Apologies for absence were submitted on behalf of Councillor Matthew Tomlinson.

3 Minutes of the last meeting of the Joint Committee held on 8 March 2017

RESOLVED – that the minutes of the last meeting of the Shared Services Joint Committee held on 8 March 2017 be approved as a correct record.

4 Declarations of Any Interests

There were no declarations of interest received.

5 Shared Services Joint Committee: Revised Terms of Reference

The terms of reference and membership of the Shared Services Joint Committee had been revised and extended to consider wider opportunities for delivering shared services, and had been approved by both Councils, at their Annual Meetings in May 2017. Shared Services Joint Committee Thursday, 14 September 2017

RESOLVED – that the revised Terms of Reference of the Shared Services Joint Committee be noted.

6 Performance Management Report

The Committee considered a report presented by the Heads of Shared Assurance and Financial Services on progress in the delivery of key service developments and performance indicators contained in the 2017/18 Business Improvement Plan up to end July and including the Partnership's projected out-turn financial position.

Garry Barclay highlighted key issues as:

- 21 of 24 business improvement projects were completed or on target;
- 31 of 32 performance measures were on track; and
- there was a projected overall underspend of £33,000.

Of those projects not performing as expected:

- the review of **Risk Management Frameworks** at both Councils had been rescheduled to embed new GRACE software for the risk reporting process; and
- the **E-enabling and reissue of Business Continuity Plans** at Chorley Council had been rescheduled to roll out new CONNIE software and accommodate organisational restructuring.

Susan Guinness reported that only one of the two Councils met the deadline of Closure of Accounts by end of May 2017, in preparation for the new deadlines for the 2017/18 closure process. A review of this was underway and measures would be put in place for next year.

Heather McManus asked Members about the presentation of the report and whether a dashboard approach would be preferable. Councillors Clark and Bradley indicated that whilst the simplicity of a dashboard was desirable, it didn't provide the trend analysis that was needed. If further services were shared, reporting highlights with supporting performance information would be more manageable.

RESOLVED - that progress in the overall performance of the Shared Services Partnership be noted and officers be asked to investigate alternative approaches to reporting performance information.

7 **Business Improvement Plan 2017/18**

Susan Guinness presented the Business Improvement Plan and Budget for the Partnership for 2017/18 which had been updated since the last meeting. Amendments included a new project to produce a Members Guide to Procurement; an updated timetable for SRBC budget setting; and new KPIs for financial training.

Heather McManus raised the issue of new business opportunities and how these could be processed through wider sharing of services. The Business Plan didn't currently provide a framework for the consideration and processing of new business opportunities.

At Chorley, a Public Services Transformation Working Group was an all - party body established to have early stage discussions about business change. Members discussed whether the terms of reference of the Joint Committee needed expanding to accommodate consideration of new business opportunities and it was agreed that further discussion around this issue would be deferred to the later agenda item on the Development of Shared Services.

RESOLVED - that the report be noted.

8 Annual Accounts 2016/17

The Committee considered a report on the Accounting Statements and associated Governance and Internal Audit Statements for the year ending 31 March 2017, in preparation for the light touch audit inspection previously agreed.

The out-turn position for the Financial and Assurance Shared Service was £1.534m, representing an underspend of £0.042m against the Partnership budget.

RESOLVED – that the 2016/17 Accounting Statements set out in the report be approved.

9 Internal Audit of the Financial & Assurance Shared Services Annual Accounts 2016/17

The Committee considered a report on the results of a light touch audit inspection by Internal Audit of the Financial and Assurance Shared Services Annual Accounts for 2016/17.

The audit had not raised any issues of concern and a summary of the results was set out in the report.

RESOLVED – that the report be noted.

10 Exclusion of the Public and Press

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.

11 Development of Shared Services

The Committee considered a joint report of both Chief Executive's on the development of more extensive shared services between the two authorities.

Gary Hall and Heather McManus presented their report which looked at the rationale for the expansion of shared services; the ambitions of both councils in progressing the proposals; and the focus on back office services (specifically HR, Policy, Communications, Legal and Democratic Services) at this stage, with an intention to include ICT in the future. The longer term aim was to ultimately develop full shared services serving two independent and sovereign councils.

Consultation on proposals from both Councils had taken place with staff and councillors, and the report before the joint Committee was a suggested way forward. The proposals were based on a number of shared senior management posts which would improve resilience in both organisations and help ensure effective governance. Whilst there were no significant financial savings at this stage, it would establish the capacity to drive forward change for sharing other services and enable staff to increase their skills and experience.

The report set out the detail of the proposals for a number of shared posts within the overarching senior management structures of both Councils, to include:

- a shared Deputy Chief Executive post (Transformation and Resources);

- a shared Director of Legal and Democratic Services post (Monitoring Officer) and an Assistant Director (Deputy Monitoring Officer);
- a shared Director of Financial and Assurance Services post (s151 Officer) and an Assistant Director (Deputy s151 Officer); and
- a shared Director of Policy, HR and Communications

The report further included detailed timescales for recruitment and delivery of the proposals by the end of 2017 and also indicated specific structural and senior post changes at each organisation.

During the debate on the proposals, Councillor Clark asked that the capacity to develop business opportunities be addressed as South Ribble was well on with the commercialisation of services. Councillor Bradley felt that the benefits were more likely to be in terms of savings and that the Joint Committee would need to establish a protocol at a future meeting to look at new business opportunities.

Councillor Foster expressed support in principle for further sharing of services between the two Councils, but felt the Councils were in different places at the current time. He was particularly concerned about the sharing of statutory officer posts (s151 and monitoring officer roles) and wanted to fully understand the risks involved before committing to the proposals, particularly in the light of identified weaknesses in corporate governance at South Ribble.

Gary Hall explained that with effective governance arrangements in place in both Councils, the statutory officer functions would not be diluted and both organisations would have a statutory officer function or deputy post specifically linked to their Council. There would be dedicated roles for both these functions at both Councils.

Councillor Bradley accepted that some councillors had concerns about the proposals and it was the Joint Committee's role to help other councillors understand the importance of these proposals going forward in the long term and to help alleviate any doubts. It was important to have a consensual approach and that all councillors received the information they needed and in a timely manner.

There would be a need to agree business operating models through a new Shared Services Agreement by December and this was likely to require additional meetings of the Joint Committee before then. This could impact on the timetable for the recruitment of shared management posts.

RESOLVED – That the Shared Services Joint Committee recommends that:

1. The two Councils should agree a joint ambition to work to develop a close working relationship, with an ultimate aim to develop full shared services serving two independent and sovereign councils.

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2. The two Councils should create shared posts as set out in the report and summarised below, including:

- a. Create a shared Deputy Chief Executive Officer (Resources and Transformation)
- b. Create a shared Director of Legal & Democratic Services (Monitoring Officer)
- c. Create a shared Assistant Director of Legal Service (Deputy Monitoring Officer)

- d. Create a shared Director of Finance and Assurance Services (s151 Officer)
 - e. Create a shared Assistant Director of Finance and Assurance Services (Deputy s151 Officer)
 - f. Create a shared Director of Policy, Human Resources and Communications
3. The changes to the terms of reference of the Shared Services Joint Committee are noted; but with an additional request to permit substitute Members to attend (one named substitute Member to be appointed, for each political group, at each Council)
4. The Chief Executives be given delegated authority, in consultation with the Executive Leaders and members of the Shared Services Joint Committee, to finalise and agree a new shared services agreement.
5. The Joint Committee should reconvene in December to consider proposals for the operating models for the shared functions, although it is likely that further meetings will need to be held before then.
6. A Joint Member Panel be appointed, drawn equally from both Councils (Leader, Deputy Leader and the Leader of the Opposition) to deal with the recruitment to the Chief Officer (Tier 2 and Statutory Officer) posts.
7. The Chief Executives of Chorley Borough Council and South Ribble Borough Council will jointly manage the recruitment to the Chief Officer (Tier 3 & 4) appointments.

12 Review of Shared Financial Services and Shared Assurance Services

This item was withdrawn from the agenda.

Chair

Date