



**Report To:** Scrutiny and Overview Committee  
**Lead Officer:** Executive Director (Corporate Services)

7 April 2016

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## Shared Services Business Plans and Terms of Reference for the Joint Group

### Purpose

1. To support the draft Business Plans and Terms of Reference for the Shared Services Joint Group.

### Recommendations

2. It is recommended that the Scrutiny and Overview Committee supports the business plans for each of the shared services attached at Appendix 1 and the Terms of Reference for the Shared Services Joint Group attached at Appendix 2, approval of which will enable the meetings 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.

### Reasons for Recommendations

3. The shared service business plans are important in terms of providing direction and a point of reference for each of the services. They need to be in place at the commencement of the new financial year, or as near to it as possible.
4. However, it is important to enable a mechanism to be put in place to allow any final changes to the business plans to be negotiated by the Corporate Directors and for final approval to be delegated to the Corporate Directors in conjunction with the Leader of each Council.

### Background

5. 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.
6. The business cases to allow ICT, Legal and Building Control 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 1 October 2015 (the date from which the nominated lead councils would become the Employing Authority and staff would transfer).
7. On 1 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.

8. 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
  - The anticipated savings built into this year's budgets totals £1.3m
9. Since the go-live date of 1 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.
10. 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 endorsed to enable the shared services to work to an agreed direction and deliver against an agreed set of objectives.
11. Whilst it has its own member-led board in place, the Single Shared Waste Service is making stronger links with the wider shared services and the governance structure. As such, the business plan for the shared waste service is also included at Appendix 1.
12. 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.
13. 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.
14. 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.

15. 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 12 above.
16. 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. It will act as an advisory body to the three councils only.
17. 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 the Group will become fully constituted and operate as a public meeting from then onwards.
18. 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 it is 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.
19. 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.

### **Considerations**

20. 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.
21. 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.
22. It will be recommended that any final changes to the Shared Service business plans be made via delegation to the Corporate Directors in conjunction with the Leaders.

### **Options**

23. An option could be not to support the documents or to recommend amendments.

### **Implications**

24. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, there are no significant implications.

### **Consultation responses (including from the Youth Council)**

25. Significant consultation with staff and Unions took place during the establishment of the Shared Services.

## **Effect on Strategic Aims**

### **Aim 1 - Engagement**

26. Improve efficiency and value for money within a viable financial strategy.

### **Aim 2 - Partnerships**

27. Financial savings and income generation from Shared Services.

## **Background Papers**

No background papers were relied upon in writing of this report.

## **Appendices**

**Appendix 1 – Shared Service Business Plans**

**Appendix 2 – Draft Terms of Reference**

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