

WATFORD BOROUGH COUNCIL – 30 JANUARY 2013

THREE RIVERS DISTRICT COUNCIL – 26 FEBRUARY 2013

FUTURE OF THE SHARED SERVICES JOINT COMMITTEE

(MD/CE)

1. Background

The SSJC was established in 2008 with the functions set out in the attached. It became as a result responsible for the four shared services. Its key role was to manage the establishment of the services and it has performed that role well. However the delivery of these services and the local government context has changed considerably since this period and it is now timely to review its role.

The key contextual changes are:

- (1) Shared services delivery is expanding rapidly but in a flexible, diverse way as a result of WBC/TRDC needing to innovate separately as well as together to deliver cost reductions and safeguard services. For example:
 - the proposal to deliver Audit through the County-wide Shared Internal Audit Service (SIAS)
 - HR bid to provide services
 - TRDC buying in WBC transport/engineering support
 - potential SW Herts collaboration on cemetery services
 - potential TRDC/WBC collaboration on economic development.

Existing shared delivery of services not covered by the Joint Committee is the Parking Service (TRDC, WBC, Dacorum) and Building Control (WBC/TRDC).

More hybrid arrangements are inevitable, making the SSJC not aligned in governance terms with these changes.

- (2) Two of the four services are impacted by fundamental changes to their delivery mode: ICT through proposed outsourcing, where the client function would be distinct and there will be a new delivery relationship with the contractor; Revenues & Benefits where the government reforms to introduce universal credit will revise the service dramatically.
- (3) As resources reduce, the capacity of both Council management teams to support the SSJC becomes increasingly limited, with pressure on officers to streamline performance reporting.
- (4) TRDC is moving back to the Committee structure under the new provisions of the Localism Act, whilst WBC is retaining the executive structure.
- (5) Both Councils' political leadership wanting to see faster service improvement in key Shared Services areas and hence seeking more direct influence through their existing Executive structures.

2. **Proposal**

In the light of the above, it is proposed to dissolve the SSJC and revert the management responsibility for each shared service with an identified authority on the following basis:

TRDC

Building Control (not currently overseen by SSJC)
Revenues & Benefits
Finance

WBC

ICT (client function)
HR
Parking (not currently overseen by SSJC)

Each responsible authority would be delegated by both Councils to manage the service based on an agreed SLA and cost share formula. There is a senior officer Joint Management Board meeting of the two management teams that reviews performance and therefrom accountability would be to the relevant Authority portfolioholder or for non executive functions (HR and Audit) to the relevant committee. The shared Director of Finance post will co-ordinate collaboration between HR, ICT, R&B and Finance. Where joint political resolution is needed, *ad hoc* meetings of the relevant members will be called.

As part of sharing the learning of the joint management arrangements, it is also proposed that the SSJC undertake a review of its successes and lessons learned to inform the above proposed changes.

3. **Legal implications**

The process to change the existing SSJC arrangement is not straightforward as existing delegations and the assets lodged with the SSJC will need to be reallocated, and the financial responsibilities for the services made clear under the remit of the relevant authority. If Council agrees the recommendations, work will then commence on these issues. It is not proposed that the contracts of employment of staff would be changed as a result.

4. **Recommendation**

- (a) that SSJC undertake a review of its successes and lessons learned to inform any proposed changes;
- (b) that SSJC is dissolved from a date to be agreed once legal and financial processes are complete. This may be in 2013 or possibly from 1 April 2014 depending on the legal and administrative processes involved;
- (c) that each authority takes the responsibility for the service identified in paragraph (2) above from the effective date determined; and
- (d) that a further report is made to each Full Council meeting once the timing is clear so that proper notice of the change is given to the SSJC.