

Agenda Item 14

REPORT TO COUNCIL – 19 MARCH 2014

REPORT OF CABINET – 10 MARCH 2014

Cabinet met on 10 March 2014. The minutes are published on the Council's website.

The following Members were present at the meeting:

Mayor Dorothy Thornhill	(Strategic partnerships/external relationships and community safety)
Cllr D Scudder	(Deputy Mayor and Portfolio Holder for Strategy & Client Services.
Cllr Crout	(Community & Customer Services Portfolio Holder)
Cllr Sharpe	(Regeneration & Development Portfolio Holder)
Cllr Watkin	(Democracy & Governance Portfolio Holder)

Also present: Councillor Bell.

The following was a recommendation to Council

MIN NO 64 - MOVING SHARED SERVICES TO A LEAD AUTHORITY MODEL

Cabinet received a report on the proposed Lead Authority Model Agreement including Service Specifications

Watford and Three Rivers Councils formally established a shared service for undertaking their Finance, Revenues and Benefits, Human Resources and IT services in 2008. The services were overseen by a Joint Committee of the two councils and managed by a Shared Services Management Board made up of the Heads of Service plus the Director of Finance for Three Rivers District Council and Executive Director Resources (initially) then Head of Strategic Finance Watford Borough Council. Both Councils had now appointed a Shared Director of Finance.

In January and February 2013 reports went to each respective full council meeting seeking approval to move toward a lead authority model for the continued operation of the shared services.

The legal agreement was based on the premise that for each of the shared services there would be one council who was the lead council whilst the other was the client. The lead council would have complete responsibility for all staff in the service. Any currently employed by the client would be TUPE'd over on the start date and the lead council would deliver the service in line with the service specification to the client for a fee.

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It was proposed that Watford Borough Council would be the lead council for Human Resources and IT: Three Rivers District Council would be the lead council for Finance and Revenues and Benefits.

Councillor Watkin introduced the report. He commented that, when the Shared Services arrangement was first set up, no-one knew how it would work out. It had, however, been appropriate at the time and had helped in creating a framework in which to develop further close working.

He drew Members' attention to the section in the report on the sharing of expertise on procurement and contract management. Watford Borough Council had a Procurement Manager and was working toward setting up a centre of excellence approach to contract management in the light of the number and variety of external relationships it had for service delivery. The proposal was that Watford would be the Lead Authority in any shared arrangement for these services on the basis of a service specification and charge.

He also referred specifically to the governance arrangements as outlined in the report including the role of the Executive Board and arrangements for scrutiny. He commented that this was a good basis for future joint work.

The Mayor said that the key issue was about responsibility and that this would be much clearer. She added that, with the increasing pressures on budgets, more and more councils would be looking at arrangements such as these; Watford was ahead of the game. The fact that the original shared services arrangement had been re-visited enabling weaker areas to be strengthened demonstrated a healthy and forward looking approach.

Councillor Bell commented that his Group had expressed some initial concerns around the continued ability to scrutinise and whether individual councillors would still be able to approach officers regarding issues such as revenues and benefits. He also asked whether the Boards would report back to everyone.

The Managing Director responded that the Executive Board was purely an operational body which already met and monitored services. Accountability for the new arrangements was very clear: Cabinet for Watford, the appropriate committee for Three Rivers and the Outsourced Services Scrutiny Panel whose terms of reference were to be extended to include each of the shared services.

The Mayor endorsed the Managing Director's points and added that any councillor could request a briefing with officers. Other scrutiny committees such as Overview & Scrutiny and Budget Panel also provided a means for councillors to question and challenge issues of concern.

Councillor Sharpe concluded the discussion by commenting on the accountability and transparency of the proposed arrangements. He added that it was a pioneering exercise in respect of a different form of governance. There had been problems with the Shared Services arrangement in terms of accountability as the services responsibility was to the joint committee which only met every three months. As well as Cabinet/Executive Board and Members being able to raise matters with their respective officers on the Executive Board there would now be provision for Portfolio Holders/lead Members to have direct access to

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the Heads of Shared Services, regardless of which council was their direct employer

RESOLVED

To recommend to Council:

that, subject to Three Rivers District Council also agreeing to recommendations 1 and 2 below before 31 March 2014:-

1. the Joint Committee Agreement for Shared Services with Three Rivers District Council dated 26 August 2008 terminate with effect from midnight 31 March 2014.
2. that Council enters into the Shared Services Agreement with Three Rivers District Council attached at appendix 1 to the report with effect from 1 April 2014.
3. that Council agrees to the addition of Procurement including sharing best practice on contract management to the services in the Agreement with Watford Borough Council being the Lead Authority
4. that the Shared Director of Finance be given delegated authority to agree any minor amendments to the agreement as may be necessary, including the service specification and charges for Procurement.
5. that the Shared Director of Finance be given delegated authority to agree any minor amendments to the agreement as may be necessary prior to the meeting of Council on 19 March 2014.

A copy of the report to Cabinet is attached. The appendices are available on the Council's website