

JOINT COMMITTEE NORTHERN LINCOLNSHIRE BUSINESS CONNECT SHARED SERVICE

DATE	18 th December 2020
REPORT OF	Joint Committee Members – North and North East Lincolnshire
RESPONSIBLE OFFICER	Shared Services Board
SUBJECT	Revised Governance Proposals
STATUS	Open

CONTRIBUTION TO OUR AIMS

Working collaboratively across Northern Lincolnshire has been a strategic commitment from both Council's for a number of years. Collaboration takes place in many forms, and has yielded a range of benefits, supporting both Council's to deliver more efficient and effective services.

EXECUTIVE SUMMARY

This report provides an update on the elements of the Shared Services Agreement following review in 2020. The report also makes recommendations regarding revised governance arrangements following the latest changes.

RECOMMENDATIONS

It is recommended that Joint Committee:

1. Notes the outcome of the latest review and the services remaining within the agreement.
2. Agrees the changes to the legal agreement and governance arrangements set out generally in para 1.6 of this report, including the termination of the Joint Committee with its role vested in a revised Shared Services Board and;
3. Delegates authority to the Chief Legal and Monitoring Officer NEL and Monitoring Officer NL to implement the actions relating to changes to the legal agreement and governance arrangements including bringing a report before respective Cabinets and Full Councils where appropriate in support of the required constitutional change.

REASONS FOR DECISION

Shared Services for support services came into effect in 2016. Since then both Councils have realised a range of efficiencies in financial and process terms. At the same time, we have learned much about the best way to "share" services with our neighbours. It is also good practice to continuously review our arrangements for delivering these functions and services to ensure that they remain fit for purpose and deliver efficiency and effectiveness. It is also important to ensure that our shared service arrangements meet the strategic and

operational needs of both partners.

1. BACKGROUND AND ISSUES

- 1.1 North and North East Lincolnshire have a good track record of working closely together in a variety of different arrangements, for example through collaboration, sharing expertise and knowledge, joint procurement, and more formal shared arrangements for certain services.
- 1.2 Since 2016 when both councils entered into a formal shared services arrangement covering several support services, we have benefitted in a variety of ways, not the least of which were significant financial efficiencies, and more efficient ICT systems and platforms.
- 1.3 Over that time we have learnt a great deal about which services, functions and systems work most effectively via the shared arrangements and we have made a number of improvements across both councils as a result of the arrangement.
- 1.4 We have also recognised that in some cases, sharing services may not currently be the most effective model and have agreed a range of changes to our current arrangement covering some elements of Finance, (including Treasury Management), and ICT.
- 1.5 Both councils remain committed to continuing to work together in the most effective way by identifying further opportunities for sharing, collaborating, and improving performance, across all areas.

Services remaining within the agreement are Local Taxation and Benefits, Audit, Risk & Insurance and Technical Accounting.

- 1.6 With a view to making arrangements more agile and capable of flex it is proposed that the extant governance around the shared service arrangement be revisited and replaced by something more fluid and capable of supporting change and adaptability. The 2016 Shared Service Agreement sets out a rigid and somewhat unwieldy governance framework. It is proposed that by mutual consent of both partners that this be reviewed, and the Shared Service Agreement varied to permit space for a more operational focused regime. This will see the termination of the Joint Committee with its oversight role being vested in a revised Shared Services Board, which will ensure any key and significant decisions are fed through each councils own decision making arrangements thereby preserving transparency and accountability.
- ## **2. RISK AND OPPORTUNITIES**
- 2.1 Both Councils must ensure that they are achieving best value from services by ensuring that delivery models are efficient effective and fit for purpose.
 - 2.2 Both Councils must ensure that they continue to identify and maximise any opportunities for joint delivery, integration or collaboration with partners and other local authorities.

- 2.3 There is a risk that not ensuring the most effective delivery models are in place will add additional cost or risk to the either Council's operating model.

2. OTHER OPTIONS CONSIDERED

- 3.1 Do nothing – this option is not considered effective and is unlikely to realise further opportunities to improve efficiency and performance, nor is it likely to support either council's strategic or operational objectives.
- 3.2 End the current arrangement – this option is not considered appropriate at this time, should recommendations to end current arrangements across service areas be made, these will be considered as part of continuous review.

3. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 3.1 Both councils have a good track record of working together, it is therefore important to ensure that effective communication is in place at the appropriate time to ensure all stakeholders and staff

4. FINANCIAL CONSIDERATIONS

- 4.1 The financial objective of the original shared service business case was to achieve combined savings for both councils of £12.6m over a 10 year period, a significant reduction on the combined budget envelope prior to the creation of the shared service. There is scope to deliver further efficiencies although these are largely dependent on system investment which will allow for further digitalisation of services. The most recent changes to the configuration of the shared services have ensured that both councils are achieving best value and have not led to any significant cost pressures and services are still expected to operate within defined budget envelopes. Where further opportunities for financial efficiencies are identified these will be assessed as part of the wider business case development.

5. CONSULTATION WITH SCRUTINY

None at this stage.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no direct financial implications arising from the recommendations outlined within this report. Where proposals for further collaboration are brought forward, the financial case will be assessed as part of the wider business case development.

7. LEGAL IMPLICATIONS

By virtue of s3 of the Local Government Act 1999 the Council is under a statutory obligation to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".

It is therefore appropriate that arrangements such as the shared service arrangements be kept under review. Indeed, this is underpinned by contractual provisions in the Shared Service Agreement entered into on 1st April 2016.

Any proposed change to the constitution from the anticipated review falls within the remit of Full Council.

8. HUMAN RESOURCES IMPLICATIONS

8.1 There are no direct HR implications arising from the recommendations outlined within this report. Where proposals for further collaboration are brought forward, the HR implications will be assessed as part of the wider business case development.

9. WARD IMPLICATIONS

All wards affected.

10. BACKGROUND PAPERS

None.

11. CONTACT OFFICER(S)

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