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**Meeting:** Customer & Central Services Overview and Scrutiny Committee

**Date:** 11 October 2010

**Subject:** Shared Services

**Report of:** Portfolio Holder for Finance, Governance & People

**Summary:** The report highlights the background to the former County Council services that are shared between CBC and BBC.

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**Advising Officer:** Richard Ellis, Director of Customer & Shared Services

**Contact Officer:** Iain Melville, Head of Performance & Risk

**Public/Exempt:** Public

**Wards Affected:** All

**Function of:** Council

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

The Shared Services underpin the delivery of the Council's priorities.

### **Financial:**

The Shared Services have a combined total value of over £10m

### **Legal:**

All of the Shared Services need to comply with the requirements laid out in their Service Level Agreement

### **Risk Management:**

There are risks associated with governance, performance and cost associated with all the Shared Services for both CBC and BBC.

### **Staffing (including Trades Unions):**

Any future decision on Shared Services could have staffing implications for both CBC and BBC.

### **Equalities/Human Rights:**

It is important that consideration is given to all our Central Bedfordshire communities when considering public facing Shared Services – particularly vulnerable groups.

### **Community Safety:**

None

**Sustainability:**

None

**RECOMMENDATION(S):**

- 1. The Committee notes and considers this report.**
- 2. The Committee considers timetabling the results of Internal Audit's work into its work programme.**

**Background**

1. Central Bedfordshire Council (CBC) and Bedford Borough Council (BBC) have been sharing service provision for many of the services previously supplied by Bedfordshire County Council. Decisions on which services were to be shared were taken in October 2008 and the host authority for each service was identified at the same time. A small number of services are also hosted by NHS Bedfordshire, the local Primary Care Trust (PCT).
2. These are not conventional shared services arrangements where partners merge two, or more existing services into one over an agreed period of time. Rather, to meet the timetable for Local Government Reorganisation, existing Bedfordshire County Council service were taken on by one council and delivered on behalf of both councils.
3. Consequently, there were a large number of services that were delivered by the former County Council that it was prudent to deliver jointly between the two Councils. This ensured continuity of service.
4. The Association of Public Sector Excellence (APSE) was commissioned to provide independent advice on shared services and to deliver service level agreements, and cover:
  - The agreement
  - Service function overview
  - Service function governance
  - Performance
  - Issue management
  - Compliance
  - Change control
  - Termination & exit
  - Charging
  - Detailed schedules
  - Agreement sign off

## **Current Situation**

5. CBC and BBC undertook to deliver 53 shared services. These represent a combined total of over £10m for CBC and BBC. See Appendix 1 for details.
6. There was no corporate overview of the SLAs by either Council as they were integrated into the respective services and monitored by the responsible Assistant Directors. No major issues have arisen with the shared services and where issues have occurred; they have been resolved at a local level. Consequently each SLA has not had a Governance Board but has been managed through the normal management structure.
7. The monitoring and compliance of the Shared Services SLA will be undertaken by the Procurement Teams of each Council. However, the management and review of the SLAs will be undertaken by the individual Directorates to ensure that they meet the priorities and outcomes of both councils.

## **Audit Commission Inspection**

8. During 2010, the Audit Commission undertook a review of the Shared Services and conducted a joint inspection with CBC and BBC. The review aimed to provide a high level overview of key risks in relation to the partnership arrangements for the delivery of shared services.
9. Consequently the Audit Commission decided to examine a high cost and front line service delivered by CBC and one delivered by BBC. The two services chosen were the Emergency Duty Team (hosted by CBC) and the Youth Offending Service (hosted by BBC).
10. The overall conclusion from the Audit Commission is that while the Council has not progressed as quickly with the development and review of the SLAs for shared services as was originally envisaged, the review of the two SLAs, demonstrates that in these instances robust arrangements have been put in place which are meeting the desired objectives for each Council. Appendix 2 contains the detail of the findings. These form part of the Annual Governance Report that was reported to the Audit Committee on 27 September.

## **Total Place - Next Steps**

11. This report has so far focused on the ex-County Council services that are shared mostly with BBC. The next step is to consider sharing services amongst a greater number of partner organisations and at a more strategic level. This works carries on the initial work from the Total Place pilot.
12. The next phase of Total Place work across Bedfordshire and Luton is focussing on exploring opportunities for joint delivery of back office solutions across key public sector partners.

13. The Chief Executives' Forum comprises representation from Central Bedfordshire Council, Bedford Borough Council, Luton Borough Council, Bedfordshire Police, the Police Authority, the Fire & Rescue Service, PCTs and voluntary sector. The Forum, as the Total Place governance board, have commissioned an initial short term feasibility study of potential opportunities and efficiencies arising from joint delivery, across some or all partners, of services including Procurement & Commissioning, Assets & Vehicle / Fleet Management, Communications & Marketing and Advisory Services such as Health & Safety and Equality & Diversity.
14. This feasibility study is being funded from an external grant for Total Place from Improvement East; a report setting out the outcomes of the study will be presented back to the Chief Executives' Forum in mid October.

### **Conclusion and Next Steps**

15. Further work to examine the robustness of the Shared Services will now be undertaken by CBC's Internal Audit. An audit into Shared Services is also being conducted by BBC's Internal Audit.
16. The Committee considers timetabling the results of Internal Audit's work into its work programme.

### **Appendices:**

Appendix 1 – Details of all of the Shared Services

Appendix 2 - Audit Commission Findings of the Emergency Duty Team – Reported In the Annual Governance Report.

**Background Papers:** (open to public inspection)

None

**Location of papers:** Priory House, Chicksands