

**CABINET**  
**15 DECEMBER 2016****DISBANDING OF SOUTH WORCESTERSHIRE SHARED SERVICE JOINT COMMITTEE ARRANGEMENTS**

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**Relevant Cabinet Member**

Mr A C Roberts

**Relevant Officer**

Interim Director of Commercial and Change

**Recommendation**

1. **The Cabinet Member with Responsibility for Transformation and Commissioning recommends that Cabinet:**
  - (a) **endorses the recommendation from the South Worcestershire Joint Committee to dissolve the South Worcestershire Shared Services Joint Committee ("Joint Committee") by 31 March 2017;**
  - (b) **delegates authority to the Interim Director of Commercial and Change, in consultation with the Cabinet Member with Responsibility for Transformation and Commissioning, to conclude arrangements relating to services currently delegated to the Joint Committee;**
  - (c) **delegates authority to the Director of Commercial and Change, in consultation with the Cabinet Member with Responsibility for Transformation and Commissioning, to finalise the detail of future governance arrangements with partners of the Worcestershire Hub Shared Service (WHSS) whilst maintaining member engagement as set out in the report; and**
  - (d) **delegates authority to the Director of Commercial and Change, in consultation with the Cabinet Member with Responsibility for Transformation and Commissioning, to conclude a revised legal agreement with the partners of the WHSS and authorises the Head of Legal and Democratic Services to execute this agreement as necessary.**

**Current Governance Arrangements**

2. **The Joint Committee was established on 31 March 2009 and comprises elected representatives with appropriate responsibility for each of the shared service functions within the South Worcestershire districts including the Worcestershire Hub Shared Service (WHSS) which the County Council is a partner to. It meets four times in each civic year.**

3. The Joint Committee is supported by the host council's S151 Officer, Monitoring Officer and Committee Administration. The host council arrangements rotate between partners, with Worcester City Council being the current incumbent.
4. The Joint Committee is responsible for approving an annual business plan which covers a 3 year period and includes business and financial objectives, efficiency targets, business continuity planning, risk management, indicative staffing levels and performance improvement targets. The Joint Committee is also responsible for preparing annual capital, revenue and staffing budgets which are approved by individual authorities through their annual budget setting cycle.
5. The Joint Committee was also responsible for approving the draft Annual Statement of Accounts for the shared services and subsequently the final Annual Statement of Accounts and associated External Auditors Report and Letter of Representation. However, this requirement was discontinued from the 2015/16 financial year as there is no longer a requirement to produce an Annual Statement for joint committees.
6. The Joint Committee is responsible for the following services:
  - South Worcestershire Revenues and Benefits Shared Service
  - Worcestershire Hub Shared Services (WHSS)
  - South Worcestershire Building Control Shared Service
  - South Worcestershire ICT Shared Service.
7. Partners for each of the shared services include Malvern Hills District Council, Worcester City Council and Wychavon District Council with the exception of the Worcestershire Hub Shared Service which includes the County Council but does not include Wychavon District Council.
8. Since the Joint Committee was established the Revenues and Benefits and WHSS functions have been commissioned to a managed service provider Civica UK Ltd.
9. Contract Management Boards now exists for these shared services and include Civica representatives. However, the Worcestershire Hub does also have a Joint Customer Services Management Board (JCSMB) which sits between the Joint Committee and the Contract Management Board.
10. The JCSMB comprises the relevant District Portfolio Holder (for Malvern Hills District Council and Worcester City Council) and the Cabinet Member (for the County Council) that has responsibility for Customer Services. It also includes the senior officer lead for each partner authority. It has a strategic customer services role with a focus on improving the customer experience, analysing customer feedback and securing the most appropriate channels for customer contact through a development plan.
11. It is recognised that the current arrangements for the Joint Committee were an effective means of delegating and organising shared service functions when they were originally set up. During the early years these arrangements were effective, valuable and instrumental in establishing the successful shared service functions we have in place today.

12. However, with significant changes to the operating models of the shared services, the Joint Committee's responsibilities have reduced and partnership working has changed and improved, including the commissioning to a third party provider. Consequently, alternative governance arrangements already exist to provide both the operational and strategic direction for the shared services and the Joint Committee adds a layer of unnecessary duplication as well as absorbing time and resources in preparing for it.

## **Review of Governance Arrangements and Recommendation**

13. At its meeting on the 3 June 2016, the Joint Committee requested that officers undertake a review of the Terms of Reference and role and responsibilities of the Joint Committee and its associated governance arrangements in accordance with each shared service.

14. The review was intended to clarify whether the current arrangements are the best way of governing the shared services activities.

15. A recommendation was made to the Joint Committee at its meeting on the 16 September 2016 following this review period which stated:

*That the Joint Committee recommends to partners that the Joint Committee is dissolved at the 2016/17 financial year end, and thereafter the partners adopt the governance arrangements set out in this report for the South Worcestershire Shared Services.*

16. The governance arrangements set out within the report are that "*the strategic management of the shared services are reconstituted, in slightly different ways to reflect the requirement to delegate functions for 'in-house' provision, and undertake contract management for outsourced provision*".

17. Members of the Joint Committee voted unanimously to accept the findings of the review and asked for its functions to be dissolved and for new arrangements to be put in place by each of the partner Councils by 1 April 2017.

## **Summary**

18. The decision to dissolve the Joint Committee is one that will need to be endorsed by each of the partners of the shared services. Therefore, each partner authority will need to seek endorsement through their respective Cabinets or Full Councils and reports for each have been prepared for forthcoming meetings. This Joint Committee was created by Worcestershire County Council Cabinet and so it is for Cabinet to dissolve it.

19. On the endorsement of the disbanding arrangements, the Joint Committee will then cease to exist from 1 April 2017 and no further meetings will be held. A review of the WHSS legal agreement will also be necessary to reflect the change in governance arrangements.

20. Specifically, the Civica contract for the WHSS will continue to be managed through existing monitoring arrangements. These include through the JCSMB

(referred to in paragraph 10) that is represented by the relevant Cabinet/Portfolio Members with Responsibility and through the Corporate Balanced Scorecard which is updated quarterly with results against the contractual Key Performance Indicators. These mechanisms will provide an effective way of ensuring that strategic and operational decision making is sustained.

21. Giving consideration to the existing monitoring arrangements, which includes member involvement, it is therefore recommended that the Council supports the recommendations from the Joint Committee.

### **Legal, Financial and HR Implications**

22. There are no other Legal, Financial and HR implications that will occur as a result of endorsing the recommendations in this report.

### **Privacy and Public Health Impact Assessments**

23. There are no Privacy and Public Health Impact Assessment implications that will occur as a result of endorsing the recommendations in this report.

### **Equality and Diversity Implications**

24. An Equality Relevance Screening has been completed in respect of these recommendations. The screening did not identify any potential Equality considerations requiring further consideration during implementation.

### **Contact Points**

#### County Council Contact Points

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#### Specific Contact Points for this report

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### **Background Papers**

In the opinion of the proper officer (in this case the Interim Director for Commercial and Change) the following are the background papers relating to the subject matter of this report:

South Worcestershire Shared Services Joint Committee – Review of governance arrangements – 16 September 2016

<http://committee.cityofworcester.gov.uk/ieListDocuments.aspx?MIId=3921&x=1>