

LOCAL GOVERNMENT SHARED SERVICES JOINT COMMITTEE: MINUTES

Date: Thursday, 23rd March 2017

Time: 2.00pm – 3.55pm

Place: Wyboston Lakes Training & Conference Centre, Wyboston

Present: Cambridgeshire County Council (CCC): Councillors
Roger Hickford and Ian Manning

Milton Keynes Council (MKC): Councillors, Ric Brackenbury, Keith McLean
and Robert Middleton (Vice-Chairman)

Northamptonshire County Council (NCC): Councillors G Lawman
(Substituting for Councillor Robin Brown), Bill Parker and Bob Scott.

Others in attendance:

Mark Ashton (LGSS Director of Business Services, Systems and Change)
Matt Bowmer (LGSS Director of Finance), Andrew Cardoza (KPMG),
Martin Cox (LGSS HR Director), Ian Farrar (LGSS Director of IT Services),
Paul Hanson (LGSS Democratic Services Manager), Nicole Jones
(Corporate Director: Finance Milton Keynes Council), John Kane (LGSS
Managing Director), Damon Lawrenson (Director of Finance
Northamptonshire County Council), Daniel Snowdon (Democratic Services
Officer), Clare Townrow (LGSS Head of Customer Engagement and
Business Development) and Pam Whitehouse (LGSS Customer
Engagement and Service Improvement Manager).

Apologies: Councillor Robin Brown (Substitute Councillor Graham Lawman).

135/17 DECLARATIONS OF INTEREST

None.

136/17 MINUTES – 19TH JANUARY 2017

The minutes of the meeting held on 19th January 2017 were agreed as a correct record and signed by the Vice-Chairman.

Andrew Cardoza from KPMG provided an update regarding the objection received in relation to the 2015/15 LGSS Statement of Accounts. The process that related to the objection had concluded and was now closed and the accounts had been signed off. A letter had been issued to the objector, informing him of the outcome was issued on 27 February 2017 and Mr Cardoza confirmed that the only recourse for the objector if still

dissatisfied with the outcome would be to begin legal proceedings against KPMG and the PSA.

137/17 LGSS BUDGET MONITORING REPORT

The Joint Committee received the LGSS budget monitoring report. Members noted the overall forecast outturn variance of £167k which was split between and underspend of £458k on LGSS services, and a £625k pressure on trading contracts. The launch of the new HR and financial management system ERP Gold had been delayed and as a result incurred additional costs that would be reflected within future iterations of the capital section of the report.

During the course of discussion Members:

- Questioned when ERP Gold would be delivered and what the overspend will be on the project. Officers confirmed that the system would be operational from 1st September 2017 and the delay in its implementation would result in additional costs of £1m.
- Expressed concern regarding the delay to the implementation of ERP Gold and sought assurance that the target implementation date of 1st September 2017 was achievable. Officers explained that there was a detailed plan that underpinned the project and were confident that the system would be implemented on 1st September 2017.
- Requested that a progress report regarding ERP Gold be presented at the next meeting of the Joint Committee. **ACTION**

Noted that the budget monitoring report would be circulated to Members on a monthly basis.

It was resolved to:

1. Note the financial monitoring position as at 31 January 2017
2. Note the summary position on carry forward balances.
3. Note the capital monitoring position regarding LGSS capital projects.

138/17 LGSS STRATEGIC PLAN

Members received the LGSS Strategic Plan 2017/18 to 2021/22. Officers informed Members that the presented plan reflected the input from Members received at recent workshop. Officers drew attention to the vision of LGSS and the goals that underpinned it.

Members noted the revised table on page 18 of the strategy that was presented at the meeting. The table included 2 additional lines, the Base Budget 2016/17 and Transfers to/from LGSS Base that were published on page 19 of the strategy.

During discussion Members:

- Questioned how, with regard to goal 4 of the strategy, LGSS could be successfully promoted and sold to the wider public. Officers drew attention to the re-development of the LGSS website that would be launched in July 2017 and external communications strategy that would assist in marketing LGSS. Officers highlighted potential opportunities for LGSS to provide Revenues and Benefits services to Horsham District Council. Members noted the different services that LGSS provided and that each one developed its own growth strategy that suited that particular market.
- Expressed concern regarding goal 3 of the strategy that sought to double the scale of LGSS over the next 5 years and questioned what plans were in place if the goal became unachievable. Officers explained that growth was not dependent on LGSS attracting another local authority and could be achieved through winning individual contracts.
- Noted that continued changes within local government provided opportunities for the growth of LGSS and questioned how the Pensions Service could achieve significant income growth. Members were informed that the updating of the Altair system that underpinned the Pensions Service provided growth opportunities through the sharing of it.
- Highlighted the opportunities provided by Sustainability and Transformation Plans (STP) for the development of LGSS.
- Queried why the setting up of LGSS as a separate entity had been omitted from the strategic plan. Officers explained that that the benefits of setting up LGSS as a separate entity would have to significantly outweigh the current complications of the current operating model. The Chairman drew attention to the benefits of the current operating model - in particular, continuity of employment with member authorities - which served as a significant factor in Milton Keynes Council (MKC) choosing to join LGSS. Although MKC would remain open to the possibilities of alternative models, at present MKC would be concerned about changing the operating model as stability for staff was vital.
- Confirmed that Next Generation Working, the strategy that encouraged more flexible working was operated at all partner authorities under different names.
- Confirmed that LGSS was no longer an acronym as Local Government Shared Services was no longer appropriate when operating in the health sector.

It was resolved:

1. To approve the LGSS Strategic Plan 2017/18 to 2021/22

2. Note the key financial risks documented in section 2 of the report.

139/17 DRAFT LGSS INTERNAL AUDIT PLAN

The Joint Committee was presented the draft internal audit plans for LGSS and LGSS Law and the Internal Audit Strategy and Charter. Members noted the recruitment and retention of auditors that had been a key challenge for the service and the ongoing commitment of the service to continuous professional development.

During the course of discussion Members:

- Queried whether the opinion of KPMG had been sought when preparing the plan and charter. Officers confirmed that both adhered to the external auditors requirements.
- Confirmed that the Internal Audit Strategy and Charter represented best practice in audit and was compliant with guidance provided by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- Confirmed that IT audits would be carried out by a trained specialist that had been developed internally. Officers agreed to share further information regarding the auditing of IT with Members. **ACTION**

It was resolved:

1. To approve the 2017/18 LGSS Audit Plan
2. To note the 2017/18 LGSS Law Ltd Audit Plan.
3. To approve the Internal Audit Charter.

140/17 EXCLUSION OF PRESS AND PUBLIC

It was resolved to exclude the press and public from the meeting for the following item on the grounds that the item contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed: information relating to the financial or business affairs of any particular person (including the authority holding that information).

141/17 LGSS CUSTOMER SATISFACTION RESULTS AND SERVICE IMPROVEMENTS

Members were presented the results of the LGSS customer satisfaction survey.

It was resolved to note the contents of the presentation.

Chairman