

LOCAL GOVERNMENT SHARED SERVICES (LGSS) – UPDATE OCTOBER

To: **Cabinet**

Date: **16th November 2010**

From: **LGSS Director of Finance**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **To review the progress and success of the Local Government Shared Services arrangement with Northamptonshire County Council.**

Recommendation: **Members are asked to:**

- a) Note the progress made.**
- b) Note the key actions planned until the end of the financial year.**

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1. BACKGROUND

- 1.1 The Local Government Shared Service (LGSS) initiative between Northamptonshire and Cambridgeshire County Councils came into operation as planned on the 1st October 2010.
- 1.2 To ensure that this initiative progresses to plan and delivers the financial and operational benefits required by the Authority it was agreed that monthly progress reports will be submitted to Cabinet.
- 1.3 From December the monthly progress reports will mirror exactly the operational report that will be received by the LGSS Joint Committee.
- 1.4 This report is therefore an "interim" report providing a summary of finance, performance and operational issues.

2. PROGRESS REPORT

- 2.1 **Operation of LGSS.** LGSS began operating as planned from 1st October. All Director appointments have been made and interim arrangements have been confirmed in respect of the Managing Director position. Team meetings and one to one meetings have taken place between Directors and heads of services and teams. Further team activities are planned built around delivering operational improvements and supporting strategic activities such as the Integrated Plan.
- 2.2 **Financial Performance of LGSS.** Although LGSS has only operated from 1st October for reasons of operational simplicity and financial discipline, LGSS has taken over responsibility for the financial position of in scope corporate services up and until 30th September. There are no significant financial performance issues in either the Northamptonshire or Cambridgeshire "office". For Cambridgeshire a balanced financial out-turn position is currently forecast, though it is appreciated that ideally an under spend in the order of £250,000 to £300,000 should ideally be delivered (to help off-set financial pressures in other services). *Please refer to the Authority Integrated Finance and Performance Report for further detail.*
- 2.3 **Operational Performance of LGSS.** No operational issue or problems have arisen from 1st October. Prompt payment, aged debtor, system availability and other metrics remain at or above target save for the asset sale target. The asset sale target is behind plan as a result of the Authority decision to retain certain school sites in Cambridgeshire to meet current and future need, these sites previously having been identified for disposal. Both Authorities have led the way in early publication of £500 plus spending. *Please refer to the Authority Integrated Finance and Performance Report for further detail.*
- 2.4 **Savings and Benefits Delivery.** LGSS savings come from a multiplicity of sources in the current and future years and are detailed in the Business Case. In terms of LGSS Management Team appointments and associated secretarial support, the target saving of £231,000 in a full year will be delivered with the probability that a further £60,000 saving will result from associated administrative changes For each year that the Managing Director

appointment is not made a further £189,000 of savings will accrue. The other major area of saving achieved to date is in respect of the Business System hosting and support contract. The savings that will accrue from the recently completed tendering exercise are in the order of £1m a year across both Authorities. The net saving target included in the Business Case was £410,000 per annum (target saving of £560,000 less contingency of £150,000).

3. KEY ACTIONS AND ISSUES, NOVEMBER 2010 - MARCH 2011

- 3.1 The key actions until the end of March are essentially built around delivering the other expected improvements and efficiencies required by the business case and planning for the additional savings that will be required as a result of the recent Comprehensive Spending Review statement. The LGSS Team is currently working on these challenges and have commenced a series of tight, time defined projects to deliver on time and to budget. A fuller update on these project areas will be included in subsequent monthly reports.

4. SIGNIFICANT IMPLICATIONS

4.1 Resources and Performance

- Early indications are that LGSS will out deliver the savings target set for it. This out performance will be picked up in the Integrated Plan.

4.2 Statutory Requirements and Partnership Working

- The progress made to date emphasises the value of properly planned and operational beneficial partnerships with other public bodies.

4.3 Climate Change

- There are no climate change implications resulting from the proposed change in scope.

4.4 Access and Inclusion

- There are no significant implications for any of the headings within this category.

4.5 Engagement and Consultation

- There are no significant implications for any of the headings within this category, reducing "back-office" costs was favoured by the public in the 20010/11 Budget Consultation.

Source Documents	Location
LGSS Business Case	Room 112, Shire Hall, Cambridge