

## **LOCAL GOVERNMENT SHARED SERVICES JOINT COMMITTEE:**

### **MINUTES**

**Date:** 18 September 2014

**Time:** 10.00 – 12.15

**Place:** Suite 2, Stanton House, Huntingdon

**Present:** Cambridgeshire County Council (CCC): Councillors, Paul Bullen, Mac McGuire and Ian Manning

Northamptonshire County Council (NCC): Councillors Bill Parker (Chairman), Graham Lawman and Bob Scott

**Others in attendance:**

Quentin Baker (LGSS Director of Law, Property and Governance), Matt Bowmer (LGSS Director of Finance), Ian Farrar (LGSS Director of IT Services), Sue Grace (Director: Customer Service and Transformation, CCC, for Mark Lloyd), Iain Jenkins (LGSS Group Accountant – Closedown), John Kane (LGSS Managing Director), Jon Lee (LGSS Head of Finance) Christine Reed (LGSS Director of People, Transformation and Transactions), Claire Townrow (LGSS Head of Service Assurance, Customers and Strategy), Ruth Yule (Democratic Services Officer, CCC)

**Apologies:** Paul Blantern (Chief Executive, NCC), Mark Lloyd (Chief Executive, CCC)

#### **18/14 ELECTION OF CHAIRMAN**

Councillor Bill Parker was elected Chairman for the coming year.

#### **19/14 ELECTION OF VICE-CHAIRMAN**

Councillor Mac McGuire was elected Vice-Chairman for the coming year.

#### **20/14 MINUTES – 27 May 2014**

The minutes of the meeting held on 27 May 2014 were agreed as a correct record and signed by the Chairman.

#### **21/14 DECLARATIONS OF INTEREST**

There were no declarations of interest.

With the Joint Committee's agreement, the Chairman announced a change of running order to enable officers to fulfil other commitments that morning. The item on the establishment of an alternative business structure company for the provision of legal services would be taken immediately after the statement of accounts.

## **22/14 LGSS STATEMENT OF ACCOUNTS**

The Joint Committee received the LGSS Annual Report, which included the Statement of Accounts for 2013-14 and the Annual Governance Statement. Members noted that this was the first year that LGSS had been required to prepare a separate Statement of Accounts, and that the comments of the Audit and Accounts Committees of both CCC and NCC on an earlier draft had been taken into account. The Audit Commission had appointed KPMG to undertake the external audit of the Statement.

Andrew Cardoza and Dan Hayward of KPMG attended to present the audit report. They drew attention to the fact that no numerical differences had been found on audit and paid tribute to the high quality of the working papers and the significant achievement of the LGSS finance team. A low-level recommendation would be made for further improvement to address delays in obtaining income and payroll data required to resolve audit queries, but the auditors anticipated issuing an unqualified audit opinion on the financial statements.

In the course of discussion, members

- welcomed the improved presentation of the document
- noted that the employers' pension contribution rate [Note 15 to the Core Financial Statements] differed between the two authorities because of differences in how the historical pensions liability was accounted for; the amounts overall were broadly similar between the two authorities
- noted that the Director of People, Transformation and Transactions would follow up the issue of delay in obtaining income and payroll data
- enquired how the public would know that the Annual Report was being published; officers advised that it would be published on the LGSS website, with signposting to it from the CCC and NCC websites
- commented that the report reflected excellent work by the finance officers.

The Director of Finance thanked his colleagues and KPMG for their work.

It was resolved unanimously to

Approve the Annual Report for sign off by the Chairman of the Joint Committee and the Director of Finance.

## **23/14 LGSS LAW PERFORMANCE REPORT APRIL 2013 TO MARCH 2014**

This item was withdrawn as requiring further update work; it would be brought to the Joint Committee's meeting in November 2014.

## **24/14 EXCLUSION OF PRESS AND PUBLIC**

The Committee resolved that the Press and Public be excluded from the meeting for the following item of business on the grounds that it contained 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)).

## **25/14 ESTABLISHMENT OF ALTERNATIVE BUSINESS STRUCTURE (ABS) COMPANY FOR PROVISION OF LEGAL SERVICES**

The Joint Committee received a report setting out the proposal for the establishment of an ABS for the provision of legal services. Members noted that the vision was of a law firm wholly owned by the two founding local authorities; the model constituted a hybrid form of legal services provider filling the gap between the fully in-house public sector team and the privately owned commercial firms. A recent change in the law had permitted the establishment of ABS companies; two local authorities had recently been granted licences to trade, Harrow and Brent (working together) and Buckinghamshire.

Members examined the proposal and the business case in detail, raising various questions and comparing the proposed ABS with the current position of LGSS Law.

An amendment to the recommendations as set out in the report was proposed and seconded, to amend iv) by substituting 'members' for 'Chair and Vice-Chair' of the Joint Committee. On being put to the vote, the amendment was carried.

It was resolved by a majority to

- i) Note the content of the business case in respect of the proposed legal ABS, which was approved by the LGSS Management Board at its meeting on the 6th August 2014, attached as Appendix A of the report before Committee.
- ii) Agree to the proposed establishment of a legal ABS to be jointly owned by NCC and CCC in equal shares.
- iii) Agree the proposed target operating model for the ABS including the TUPE transfer of staff.
- iv) Authorise the Managing Director, in consultation with the members of the Joint Committee, to agree the terms of the shareholder agreement and detailed governance arrangements contained within the company articles, having taken appropriate advice from the Director of People, Transformation and Transactions in relation to any employment delegations or implications and Director of Finance in relation to matters of financial nature.

The exclusion of press and public was lifted for the following item of business.

## **26/14 LGSS 2014-15 BUDGET MONITORING**

The Joint Committee received a report setting out the financial monitoring position as at 31 July 2014. Members noted that officers were working hard to avoid drawing on the £500k reserve in-year.

It was resolved to

1. Note the financial monitoring position as at 31 July 2014.
2. Note the position on the use of 2013-14 carry-forwards.

## **27/14 EXCLUSION OF PRESS AND PUBLIC**

The Committee resolved that the Press and Public be excluded from the meeting for the following two items of business on the grounds that they contained 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)).

## **28/14 PROPOSED LGSS SHARED SERVICES ARRANGEMENT WITH NORTHAMPTONSHIRE HEALTHCARE NHS FOUNDATION TRUST (NHFT)**

The Joint Committee received a report presenting a proposal to enter a collaborative arrangement for the provision of Information Management and Technology (IM&T) services to NHFT. Members noted that LGSS had been providing the services (on a consultancy basis) of the Head of Strategy, Architecture and Development as NHFT's Acting Interim Deputy Director of NHFT's IM&T service, and that LGSS and NHFT had been working together since then to jointly consider options and produce an Outline Business Case for sharing IM&T services. The NHFT Board had given approval on 30 July 2014 to proceed with the preparation of a Detailed Business Case.

Members considered the Outline Business Case and received answers to a number of points of clarification.

It was resolved to

- i) Note the proposals for the establishment of a collaborative partnership (or arrangement), between Northamptonshire Healthcare NHS Foundation Trust (NHFT) and Northamptonshire and Cambridgeshire County Councils, for the provision of Information Management and Technology services as set out in the body of the report.
- ii) Note the content the Outline Business Case underlying the proposals and confirm its approval of:-
  - a. the proposed model for the collaborative partnership, (arrangement), and
  - b. any changes to the staffing structures necessary or incidental to the implementation of the arrangement.
- iii) Delegate to the LGSS Managing Director and LGSS Directors in consultation with the Chair and Vice Chair subject to agreement of appropriate terms:-

- a. the proposed provision of Information Management and Technology services to Northamptonshire Healthcare NHS Foundation Trust (NHFT) under the auspices of the LGSS Joint Committee on the basis of the recommended model.
- b. to negotiate and agree appropriate terms and conditions with Northamptonshire Healthcare NHS Foundation Trust, under which the arrangements will operate.
- c. to continue (as set out in the Outline Business Case), to develop jointly, the potential for the Procurement and Finance Services of NHFT to be incorporated within the Partnership Agreement
- d. to prepare, approve and complete any necessary legal documentation.

## **29/14 CUSTOMER ENGAGEMENT UPDATE**

The Joint Committee received a report setting out a position statement about new and existing customer engagement activity in the context of the LGSS vision to be the most highly regarded public sector shared service and business transformation 'partner of choice' for the public sector. Members noted that positive recommendations from existing customers had resulted in a number of approaches from potential new customers.

The Joint Committee noted the report.

The exclusion of press and public was lifted for the remainder of the meeting.

## **30/14 FUTURE AGENDA ITEMS**

The Chairman exercised his discretion to add this item to the agenda, to enable members to raise matters that they wished to see considered at a future meeting.

It was resolved to

1. Include a standing item 'Future Agenda Items' on Joint Committee agendas
2. Receive a report from the Director of People, Transformation and Transactions on the Innovation Scheme and Workforce Strategy at a future meeting of the Joint Committee.

Chairman