

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

### **MINUTES**

**Date:** Friday 21<sup>st</sup> August 2015

**Time:** 9.30am – 11.50am

**Place:** Suite 3, Stanton Training and Conference Centre, Stanton House, Huntingdon, PE29 6XL

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

Northamptonshire County Council (NCC): Councillors Graham Lawman (substitute for Councillor Andre Gonzalez De Savage), Bill Parker and Bob Scott

**Others in attendance:**

Quentin Baker (LGSS Director of Law, Property and Governance), Paul Blantern (Chief Executive, Northamptonshire County Council), Kathrin John (Democratic Services Officer, Cambridgeshire County Council), John Kane (LGSS Managing Director), Mark Lloyd (Chief Executive, Cambridgeshire County Council), Chris Malyon (Chief Finance Officer, Cambridgeshire County Council), Christine Reed (LGSS Director of People, Transformation and Transactions) and Claire Townrow (LGSS Head of Service Assurance, Customers and Strategy)

**Apologies:** Councillor Andre Gonzalez De Savage, Matt Bowmer (LGSS Director of Finance) and Ian Farrar (LGSS Director of IT Services)

#### **73/15 ELECTION OF CHAIRMAN**

Councillor Mac McGuire was elected Chairman for the coming year.

#### **74/15 ELECTION OF VICE-CHAIRMAN**

Councillor Bill Parker was elected Vice-Chairman for the coming year.

#### **75/15 MINUTES – 25th JUNE 2015**

The minutes of the meeting held on 25<sup>th</sup> June 2015 were approved as a correct record and signed by the Chairman.

## **76/15 DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **77/15 CIRCULATION OF REPORTS**

The Chairman expressed concern at the late circulation of the report in respect of item 11 on the agenda (Corporate Structure Options). Officers offered apologies that the report had not been available earlier and commented that it was intended that this would be a discussion paper seeking Members' initial feedback on the options presented.

## **78/15 LGSS 2015-16 BUDGET MONITORING**

The report of the LGSS Director of Finance was submitted which updated the Joint Committee on the financial position as at 30 June 2015. Appendix 1(b) of the report was not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

In particular the report summarised:-

- The outturn position for 2011-12 to 2014-15 as previously reported to the Joint Committee;
- The planned reinvestment for 2015-16 as detailed in Appendix 3 to the report; and
- The 2015-16 forecast outturn position as outlined in Section 2 of the report and detailed in Appendices 1(a) and (b).

During discussion on the report:

- The Chief Finance Officer (Cambridgeshire County Council) drew attention to the significant risk that costs would exceed the £54k balance in the redundancy reserve. It might therefore be necessary to seek additional funding.
- An update was given in relation to the trading position as detailed in the confidential Appendix 1(b).
- Officers provided an update on the position in respect of each of the carry forwards identified in Appendix 3. In particular, it was noted that there was an underspend of £53k in respect of business re-engineering which could be released to offset the pressures in respect of the redundancy reserve.
- It was noted that even with the release of the additional £53k referred to above, there would continue to be pressure on the redundancy reserve.
- Officers undertook to review the anticipated demand on the redundancy reserve.
- Noting that the pressures on the redundancy reserve were likely to be on-going, the Chairman suggested that in setting the budget for the next financial year, the level of the redundancy reserve should be reviewed.
- Further information was provided regarding the pressures associated with the Valuation Office Agency decision not to exempt Children's Centres from business rates. It was noted that a different arrangement operated in Northamptonshire with Children's Centre services being delivered by the Northamptonshire Libraries and Information Service.

It was resolved:

1. To note the financial monitoring position as at 30 June 2015.
2. To note the summary position on carry forward balances as detailed in Appendix 3 of the report.

## **79/15 UPDATE FROM THE LGSS MANAGING DIRECTOR**

The LGSS Managing Director provided an oral update to the Joint Committee.

In particular the Managing Director provided the background and context for the report to be considered later in the meeting concerning Corporate Structure Options.

A copy of an update for the Joint Committee was circulated at the meeting on Initial Customer Engagement, which was not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. No discussion took place upon the update and any Member who had any questions upon the document was requested to direct them to the LGSS Head of Service Assurance, Customers and Strategy outside of the meeting.

It was suggested that in view of the commercial sensitivity of the Managing Director's report, on future agendas this item should be scheduled following the exclusion of the press and public.

It was resolved:

To note the oral update provided by the LGSS Managing Director.

## **80/15 EXCLUSION OF PRESS AND PUBLIC**

It was resolved:

that the Press and Public be excluded from the meeting for the following items of business on the grounds that they contain 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)).

## **81/15 NEXT GENERATION ENTERPRISE RESOURCE PLANNING (ERP) UPDATE**

The Joint Committee received a verbal update from the LGSS Director of People, Transformation and Transactions regarding Next Generation ERP. A copy of the update was circulated at the meeting.

During discussion on the report, a Member suggested that the design principles for the project should include “Open Standards” and “Open Data”. It was noted that the design principles presented were high level and would be supported by operational design principles. It was suggested that the proposed additions would be more appropriately part of the operational design principles. The LGSS Director of People, Transformation and Transactions agreed to take this suggestion back to the project team.

Following further discussion, the Joint Committee recorded their thanks to those involved in developing the Next Generation ERP system.

It was resolved to note the Next Generation ERP update given to the Joint Committee.

## **82/15 PROPOSED LGSS PROVISION OF ICT SERVICES**

The report of the LGSS Managing Director was submitted which invited the Joint Committee to consider and endorse a proposal to provide ICT Services to the Partnership identified within the report and to authorise the LGSS Managing Director and LGSS Director of IT to implement the proposed arrangement should LGSS be selected as the preferred bidder.

It was resolved to:

1. To note the LGSS tender response and proposed contract model for the establishment and provision of ICT services to the Partnership identified in the report now submitted.
2. Subject to LGSS being selected as the preferred bidder, to delegate to the LGSS Managing Director and LGSS Director of IT, in consultation with the Chairman and Vice-Chairman, authorisation to negotiate and agree, subject to appropriate terms:-
  - i. The provision of ICT services to the Partnership under the auspices of the LGSS Joint Committee and the terms and conditions under which the contract will operate;
  - ii. Any changes to the staffing structures necessary or incidental to the implementation of the service delivery; and
  - iii. To prepare, approve and complete any necessary legal documentation.

## **83/15 CORPORATE STRUCTURE OPTIONS**

The report of the LGSS Director of Law, Property and Governance was submitted which, in the light of recent experience, reviewed whether the existing LGSS model remained the optimal model for meeting current and future challenges.

The report analysed the existing joint committee model, explored alternative structural options and highlighted the relative advantages and disadvantages of each option.

The Joint Committee received a presentation on the corporate structure options from the LGSS Director of Law, Property and Governance. A copy of the presentation was circulated at the meeting.

With reference to the recommendation in the report, it was moved and seconded:-

- (a) That part (i) of the recommendation be deleted; and
- (b) That part (ii) of the recommendation be amended by the addition of a reference to the timescales involved.

Upon being put to the vote, it was resolved:

To request the LGSS Managing Director to explore the options of Limited Liability Partnership (LLP) and Company Limited by shares and to report back to the LGSS Joint Committee with detailed proposals, a business case and timescales at the earliest opportunity.

#### **84/15 DATE OF NEXT MEETING**

It was noted that the next meeting of the LGSS Joint Committee would take place on 10<sup>th</sup> September 2015 at 2.00pm.

An informal workshop to consider corporate structure options would take place on 8<sup>th</sup> October 2015 at 2.00pm.

Chairman