

REPATRIATION OF SERVICES FROM LGSS TO CAMBRIDGESHIRE COUNTY COUNCIL

To: **General Purposes Committee**

Meeting Date: **22 October 2019**

From: **Deputy Chief Executive & Chief Finance Officer**

Electoral division(s): **All**

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

Purpose: **To obtain agreement for the repatriation of the Professional Finance Services and Democratic & Members' Services from LGSS to the Council.**

Recommendation: **It is recommended that:**

- (a) Committee notes the contents of the report and;**
- (b) Agrees that the two service areas are repatriated to the County Council with immediate effect.**

<i>Officer contact:</i>		<i>Member contacts:</i>	
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1. BACKGROUND

- 1.1 The issues surrounding the financial position of Northamptonshire County Council (NCC) are well documented. As Members will no doubt recall that following the issuing of the first Section 114 notice Max Caller produced a report setting out his views on some of the causes for the position in which NCC found itself.
- 1.2 Mr Caller took the opportunity to make comment on the support service partnership between Milton Keynes, NCC and this Council, known as LGSS. Whilst some of these comments may have had an element of substance others were at best unsubstantiated and at worst factually incorrect. However, whether as a direct result of that report or not, a consequence of the general environment in Northamptonshire is that the partnership has been under continual scrutiny. One of the major clients of the partnership, Norwich City Council has given notice to quit and the provision of services to that Council will cease on 31st March 2020.
- 1.3 In addition, understandably, NCC has been reviewing the partnership in order to identify opportunities to reduce the cost of service delivery in order to contribute to their funding deficit. This 'review' has included a more fundamental discussion with partners over the future shape and funding arrangements of LGSS. This element of the review has not yet come to a conclusion, however as an interim measure NCC took a report to the LGSS Joint Committee on 30 August 2018 requesting that both Professional Finance and Democratic Services be repatriated to the NCC. This decision had little or no effect on the operations of LGSS. This report sets out a proposal to bring CCC in line with the decision taken by NCC and thereby repatriate both Professional Finance and Democratic Services to this Council.

2. REPATRIATION OF SERVICES

- 2.1 Following the aforementioned Max Caller report, NCC requested that the LGSS Joint Committee agree to the 'repatriation' of both the Democratic Services and Professional Finance teams. The rationale behind this was that there was effectively no sharing of the resources within these teams between partner organisations and therefore there was no demonstrable benefit for their retention within a shared service environment. This was agreed by the Joint Committee without any changes to the financial model save for the direct transfer of the costs employed to discharge these functions moving to the host authority ie NCC.
- 2.2 As this was a stand-alone request by NCC, neither of the other partners proposed to do the same at that point but reserved their right to consider this at a later point. Both CCC and MKC did however accept that there was no demonstrable added value being obtained by these service areas operating within the LGSS shared service environment.
- 2.3 It was assumed at the point of considering this request from NCC that the future shared service operating model would follow shortly after and therefore the other two partners decided to leave these service areas within LGSS and deal with the future operating model as a single matter. However what has become clear is that the partners are yet to agree on the future model and the costs associated therein, and therefore a report was considered by the LGSS Joint Committee on 26 July 2019 to bring CCC and MKC in to line with NCC in respect of their treatment of both Professional Finance and Democratic Services through repatriation with effect from 1 October 2019.

- 2.4 There is one element of the Professional Finance function that is shared across the three partners and this includes tax, treasury management, and schools finance support. As this is a shared function it was not included within the report considered by the Joint Committee. However there have been a number of staff departures in the last couple of months that are making the ongoing delivery of these elements of the service untenable. All three Section 151 Officers have agreed therefore that this matter cannot wait for the final decisions on the new operating model and have agreed that the three partners will work collaboratively in this area to ensure continuity of service but will repatriate elements of the integrated service where this is appropriate to so do.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

There are no significant implications for this priority.

3.2 Thriving places for people to live

There are no significant implications for this priority.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

There are no significant implications within this category.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	No implications
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	No implications
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	No implications:
Have the equality and diversity implications been cleared by your Service Contact?	No implications
Have any engagement and communication implications been cleared by Communications?	No implications
Have any localism and Local Member involvement issues been cleared by your Service Contact?	No implications
Have any Public Health implications been cleared by Public Health	No implications

Source Documents	Location
LGSS Joint Committee Report July 2019	Appended