

NORTHAMPTON BOROUGH COUNCIL

Overview and Scrutiny

Report of the Local Government Shared Services (LGSS) Scrutiny Inquiry

March 2013

1 Purpose

- 1.1 At its meeting on 28 May 2012, the Overview and Scrutiny Committee commissioned the Local Government Shared Services (LGSS) Scrutiny Inquiry to undertake pre-decision of the preparation of the outline business plan with regard to some services of this Council being undertaken by LGSS.
- 1.2 It was agreed, early into the work of the Inquiry, that there was a need to revise the terms of reference, as its role had become that of monitoring and informing. The terms of reference was updated to read “to consider the LGSS high-level risks set out below and to seek evidence of mitigation of those risks:
- That the LGSS may not achieve value for money
 - That the Borough Council may enter into an arrangement that restricts options for the future
 - That the Borough Council may be unable to achieve its 2013/14 budget gap
 - A reduced ability to react to change and priorities”
- 1.3 The purpose of the meetings of the LGSS Scrutiny Inquiry was to:-
- Help elected Members understand the process of engaging with LGSS and the legal framework around the engagement.
 - Enable elected Members to meaningfully challenge the rigour and robustness of the process.
 - Allow elected Members to form a view as to whether or not the process was likely to secure an arrangement which would deliver improvement, efficiency savings and best value in relation to services in scope.
- 1.4 The Scrutiny Panel dedicated a number of its meetings looking at service specifications for the Services transferring to LGSS.

2 Background and Context

Governance structure for the operation of Scrutiny Inquiries

- 2.1 The Scrutiny Inquiry operated in accordance with the [Scrutiny Inquiry Protocol](#). Scrutiny Inquiries operate on a relatively informal basis in the sense that they are a forum for adding scrutiny input into a review or issue that is currently being worked on by Officers within the Council. Scrutiny Inquiries have no delegated powers. Meetings of Scrutiny Inquiries are less

formal than meetings of the Overview and Scrutiny Committee and Scrutiny Panels and are not held in public session. Meetings of a Scrutiny Inquiry require an approach that allows all Members of the Scrutiny Inquiry to participate fully, and incorporates questioning and discussion with Officers. Informal ways of working are to be encouraged.

- 2.2 The Lead Councillor for the Scrutiny Inquiry has a role to make sure that Members of the Overview and Scrutiny Committee are kept informed regarding progress of tasks through regular progress reports.
- 2.3 Membership of the LGSS Scrutiny Inquiry comprised Councillor Les Marriott (Chair); Councillors Brendan Glynane, Jamie Lane, Christopher Malpas and Danielle Stone.
- 2.4 The Scrutiny Inquiry commenced in July 2012, concluding in March 2013.

Governance Structure - LGSS

- 2.5 Cambridgeshire and Northamptonshire County Councils created LGSS in July 2010. A Joint Committee is established with the aim of looking at the functions, responsibilities and provision of shared services in order to make efficiency savings.
- 2.6 The Governance structure of LGSS is : -
 - Member Panel
 - Northampton Borough Council (NBC) Programme Board
 - NBC/LGSS Project Team
 - NBC/LGSS Steering Group
- 2.7 The Project is managed internally at both Member and Officer level.
- 2.8 LGSS operates a Joint Committee model. Key features of the model:
 - Joint Committee comprised of three members of each Council
 - Meets at least once every quarter
 - The Councils have delegated relevant functions to the Joint Committee who have responsibility for the overall management of the Shared Service
 - Reporting to the Joint committee is a unified management team comprising of four Service Directors and one Managing Director

3 Information gathering

3.1 Comprehensive details about the transfer of a number of Council services to LGSS were received over a series of meetings. Attached at Appendix A are details of the meetings of the Scrutiny Inquiry held, together with subject area discussed at each meeting.

3.2 Director of Finance

3.2.1 Salient points:

3.2.1.1 Background data

- Project Governance Structures
- LGSS Governance Structures
- Programme Governance
- LGSS Membership Categories
- Key Objectives
- Scope
- Project Plan
- High Level Risk Register
- Terms of reference and the mitigating actions following the completion of the Outline Business Case (OBC) for some Council Services being delivered by LGSS

3.2.1.2 Review of LGSS Savings by Service Areas

3.2.1.2.1 Transition costs will be incurred in the first two years of £136,000 and £72,000 respectively; taking account of these costs estimated savings to NBC at the end of 2017/18 will be £3 644m.

3.2.1.2.2 The LGSS Scrutiny Inquiry noted that any potential reduction in savings (as yet to be finalised) from the budget 2013/2014 in respect of the delay in entering into an agreement with LGSS from 1 April 2013 to 1 May 2013, provision has been made in reserves by the Director of Resources.

3.2.1.3 Service Specifications – Service Level Agreements

3.2.1.3.1 Details of the service specifications for the Services transferring to LGSS were provided to the LGSS Scrutiny Inquiry:

- ICT Service
- Revenue and Benefits

- Human Resources, organisational development, recruitment, payroll and business improvement
- Finance, Procurement and Insurance Services
- Legal Services

3.2.1.4 Risk Register

3.2.1.4.1 The Risk Register for the transfer of services to LGSS was provided at the last evidence gathering meeting of the LGSS Scrutiny Inquiry. Attached at Appendix B is graphical risk trend data.

3.2.1.5 Progress Reports

3.2.1.5.1 Progress reports were presented to each meeting of the Scrutiny Inquiry.

3.2.2 Director, People, Places and Transformations, LGSS

3.2.2.1 The Director of People, Places and Transformations, LGSS, gave a presentation on the current position regarding LGSS and the work that was still to be undertaken to the meeting on 5 December 2012.

3.2.3 Managing Director, LGSS

3.2.3.1 The Scrutiny Inquiry met with the Managing Director, LGSS, at its meeting on 14 March 2013.

4 Conclusions

4.1 The Scrutiny Inquiry received assurances that LGSS will provide the same service that is currently provided, as a minimum. No evidence was provided to the contrary.

4.2 The Scrutiny Inquiry is satisfied that there will be efficiency savings through the transfer to LGSS. It also noted that full scrutiny has taken place during meetings of the Overview and Scrutiny Committee and the Reporting and Monitoring Working Group.

4.3 With regard to best value, in relation to services in the scope, the Scrutiny Inquiry has confidence in the advice, understanding and information provided by expert Officers of NBC and the assurances provided by Officers of LGSS; in line with the outline business case.

- 4.4 The Chair of the Scrutiny Inquiry ensured that the Overview and Scrutiny Committee was updated on the progress of the project by providing reports to each meeting.
- 4.5 All Councillors were invited to attend meetings of the Scrutiny Inquiry.
- 4.6 The role of the LGSS Scrutiny Inquiry is now concluded. The Overview and Scrutiny Committee will continue the monitoring function by receiving regular update reports to its meetings.

Report Author: Tracy Tiff, Scrutiny Officer, on behalf of Councillor Les Marriott, Chair, Overview and Scrutiny Committee

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