

<p>GOVERNANCE COMMITTEE SUPPLEMENTARY AGENDA</p>

13 November 2013

The following report is attached for consideration and is submitted with the agreement of the Chairman as an urgent matter pursuant to Section 100B (4) of the Local Government Act 1972

9 CREATION OF A SHARED SERVICES JOINT COMMITTEE - REPORT ATTACHED
(Pages 1 - 4)

The Committee is invited to consider whether to recommend these proposed arrangements to Council

Andrew Beesley
Committee Administration
Manager

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GOVERNANCE COMMITTEE

13 November 2013

Subject Heading:

Creation of Shared Services Joint Committee

CMT Lead:

Ian W. Burns

Report Author and contact details:

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Policy context:

Financial summary:

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	<input type="checkbox"/>
Championing education and learning for all	<input type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input type="checkbox"/>
Valuing and enhancing the lives of our residents	<input checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

SUMMARY

The Council together with the London Borough of Newham proposes to run the back-office function of both Councils as a joint operation under the control of a Joint Committee. This report sets out the initial changes to the Council's Constitution to create the Joint Committee.

RECOMMENDATIONS

Subject to the Cabinet approving the proposal to create a back office shared service with the London Borough of Newham, the Committee **RECOMENDS to Council** that:

1. It agrees to the formation of a joint committee with the London Borough of Newham to deliver various back-office functions for both Councils.

2. The following amendment to the constitution is made:

In section 2.8 Joint Working Delegations add:

(c) Shared Services Joint Committees

This is an executive committee of this Council and the London Borough of Newham with a membership of 3 councillors from the executive of each Council.

The committee's functions will be from the 1st April 2014 to control and co-ordinate the back-office functions of both Councils, in the case of Havering these will be:

- (a) Finance & Procurement
- (b) Exchequer Services
- (c) Asset Management
- (d) Legal Services
- (e) Democratic Services
- (f) Strategic HR and Organisational Development
- (g) Business Systems

These functions are set out in detail in Schedule 2 of the Joint Committee Agreement with the London Borough of Newham.

The Joint Committee will, prior to the 1st April 2014 determine the senior management arrangements for the proposed shared service.

REPORT DETAIL

1. The Council has been considering with the London Borough of Newham the merging of its back-office functions, e.g. Finance, Legal, HR. This work has identified the potential for substantial cost savings and greater resilience in service provision. The proposal is fully detailed in a business case and covering report which is being submitted to this council's Cabinet on the 20th November 2013.
2. The Cabinet report on the proposal and the related business case explain in substantial detail the proposal, so those details are not repeated in this report. The purpose of this report is to make the necessary amendments to the Council's constitution to create the joint committee and set the broad parameters of its work. Because of the timetabling of committees it is necessary to bring the constitutional changes before this committee prior to the Cabinet deciding on whether or not to proceed with the proposal. Accordingly the decision of this committee is contingent on the Cabinet approving the proposal. It is intended that both the decision of the Cabinet and of this Committee will be reported to full Council on the 27th November for final approval.

3. The proposed mechanism for creating and controlling the proposed shared service is a joint committee between Havering and Newham. This is the governance model that the council has used successfully before when working with other council's, examples being the Thames Chase Forest Joint Committee and London Councils. As the functions which are proposed to be devolved to the joint committee are all executive ones, the joint committee will be an executive committee, similar to the status of the Cabinet, and accordingly the membership of it must be drawn from current Cabinet members. Each council will have three seats on the committee and the chairmanship of it will rotate between the councils on an annual basis.
4. The detailed procedure for the conduct of the joint committee has been prepared. This is very similar to the provisions in this council's Committee Procedure Rules. The main work of the committee will be the strategic oversight of the new shared service, in particular the setting of the service plan(s) for the shared service within the available budget and the approval of the management accounts for the service shortly after the end of the financial year. It is also responsible for agreeing the senior management structure of the shared service and the interviewing of candidates for various senior appointments. As with other joint committees that the council is part of, the day to day management of the service will be carried out by officers.

IMPLICATIONS AND RISKS

Legal implications and risks:

The details arrangements for the proposed shared service and its governance are set out in a detailed agreement negotiated by the two councils which substantially follows the model used by other council's for shared services. The delegation set out in the recommendation is necessary to give effect to this proposal otherwise the legal implications are set out in the Cabinet report.

Financial implications and risks:

The financial implications for this proposal are set out in the Cabinet report.

Human Resources implications and risks:

These are set out in the Cabinet report.

Equalities implications and risks:

These are set out in the Cabinet Report.

BACKGROUND PAPERS

Detailed business case for back office shared services.