

# Cheltenham Borough Council

Cabinet – 14th JANUARY 2014

## GO SHARED SERVICES – Changes to Governance Arrangements

<b>Accountable member</b>	<b>Councillor Jon Walklett</b> <b>Cabinet Member for Corporate Services</b>
<b>Accountable officer</b>	<b>Mr Mark Sheldon</b> <b>Director of Resources</b> <b>01242 264123</b> <a href="mailto:mark.sheldon@cheltenham.gov.uk">mark.sheldon@cheltenham.gov.uk</a>
<b>Ward(s) affected</b>	<b>None</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>This report considers extending the existing governance arrangements for GO Shared Services to November 2020.</p> <p>It also covers changes to the governance arrangements to enable the provision of system administration and telephone helpdesk functions to be carried out by the GO Shared Services team rather than the Support and Hosting Centre of Excellence team.</p>
<b>Recommendations</b>	<p><b>Subject to Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council agreeing to similar resolutions, Cabinet approves the following :</b></p> <p><b>(i) the extension of the existing delegated arrangements with Cotswold District Council for GO Shared Services until 7<sup>th</sup> November 2020;</b></p> <p><b>(ii) approves changes to the governance arrangements so that responsibility for the provision of Agresso Business World system administration and associated telephone helpdesk functions be delegated from Forest of Dean District Council (as the current Host authority for all partner councils) to Cotswold District Council:</b></p> <p><b>(iii) delegates authority to the Director (Corporate Resources) to complete the appropriate legal agreements (for (i) and (ii) above), in consultation with the Cabinet Member for Corporate Services and on terms approved by the Borough Solicitor.</b></p>

<p><b>Financial implications</b></p>	<p>The transfer of responsibility for the Agresso Business World system administration function and associated helpdesk support from the Forest of Dean District Council to Cotswold District Council will lead to increased resources within the GO Shared Services team. The budget for the transferring staff/posts (£93,000) will transfer from the ICT shared service to GOSS. The GO clients will no longer reimburse the ICT shared service but will reimburse GOSS instead. The residual £22k budget will be retained in the Support and Hosting Centre of Excellence as a contribution towards the maintenance of the infrastructure / staffing supporting the Agresso. These costs will continue to be reimbursed by the GOSS partner councils. Overall, the net financial impact to this Council is neutral.</p> <p><b>Contact officer: Mark Sheldon</b></p> <p><b>E-mail: <a href="mailto:mark.sheldon@cheltenham.gov.uk">mark.sheldon@cheltenham.gov.uk</a></b></p> <p><b>Tel no: 01242 264123</b></p>
<p><b>Legal implications</b></p>	<p>There is a suite of legal documentation relating to the GO Shared Service programme which will need to be reviewed and amended if the recommendations are approved.</p> <p>In summary the current arrangements are as follows:</p> <ul style="list-style-type: none"> <li>• November 2010- the council entered into a Collaborative agreement with Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council ( the GO Partners) to implement an ERP system and to work towards a comprehensive shared service across the councils for the provision of HR, Finance, Payroll and Procurement services (GO Shared Services). The council was also appointed as the Support and Hosting Centre of Excellence. These agreements continue for a term of 10 years.</li> <li>• April 2012- the council agreed to delegate the GO Shared Services to Cotswold District Council until March 2014.</li> <li>• April 2013- the council entered into a shared service arrangement with Forest of Dean District Council for the provision of ICT services and as this incorporated the Support and Hosting functions, the Go Partners agreed to transfer the Support and Hosting Centre of Excellence from the council to Forest of Dean District Council</li> </ul> <p>The current proposal is to extend the April 2012 agreement with Cotswold District Council until 2020 and to transfer some functions from Forest of Dean District Council to Cotswold District Council. These changes will require minor amendments to the current legal documentation.</p> <p><b>Contact officer: Shirin Wotherspoon</b></p> <p><b>E-mail: <a href="mailto:shirin.wotherspoon@tewkesbury.gov.uk">shirin.wotherspoon@tewkesbury.gov.uk</a></b></p> <p><b>Tel no: 01684 272017</b></p>

<b>HR implications (including learning and organisational development)</b>	<p>As a result of the proposed change of responsibility for the System Administration function and associated telephone helpdesk function from Forest of Dean District Council to Cotswold Council it is likely that there will be TUPE transfer implications for one member of staff. GOSS HR team will work with the managers and the employee to ensure full TUPE consultation and due diligence good practice are adhered to.</p> <p><b>Contact officer: Julie McCarthy</b></p> <p><b>E-mail: <a href="mailto:juklie.mccarthy@cheltenham.gov.uk">juklie.mccarthy@cheltenham.gov.uk</a></b></p> <p><b>Tel no: 01242 264355</b></p>
<b>Key risks</b>	<p>If the Council does not extended the governance arrangements for GO Shared Services in line with the recommendations in this report, Cotswold District Council cannot enter into a contractual obligation to provide services to the new Trust.</p>
<b>Corporate and community plan Implications</b>	<p>None</p>
<b>Environmental and climate change implications</b>	<p>None applicable</p>
<b>Property Services Implications</b>	<p>None</p>

## 1. Background

### Extension of Existing Governance Arrangements

- 1.1 GO Shared Service (GOSS) came into operation with effect from 1 April 2012, delivering Finance, HR, Payroll, and Procurement services to four partner councils - Cheltenham Borough Council (CBC), Cotswold District Council (CDC), the Forest of Dean District Council (FODDC) and West Oxford District Council (WODC). In addition, GOSS provide services to Ubico Ltd, and Cheltenham Borough Homes (CBH) Ltd. The contractual arrangements are complex. The table below sets out the various legal agreements in place.

<b>Contract/Agreement</b>	<b>Term</b>	<b>Commencement Date</b>
Collaboration Agreement (All 4 partner councils)	10 years	8 Nov 2010
Sprint II Framework Agreement	Expires 31 <sup>st</sup> March 2014	8 Nov 2010
(Collaboration) Variation Deed	The remainder of the Collaboration Agree't dated 8 Nov 2010	1 April 2012
s101 Agreements re Finance, HR, Payroll and Procurement Services x3 (CBC/WODC/FODC with CDC)	2 years	1 April 2012
s101 Agreement re ICT Support & Hosting Centre. (CDC/WODC/FODC with CBC)	10 years	8 Nov 2010
s101 Addendum re ICT Support & Hosting Centre (CDC/WODC/FODC with CBC)	The remainder of the s101 Agreement dated 8 Nov 2010	1 April 2012
Data Sharing Protocol (inc Gloucestershire Information Sharing Partnership Agreement (GISPA))	On going	1 April 2012
Ubico Agreement re:GOSS with CDC	2 years	1 April 2012
CBH Agreement re:GOSS with CDC	2 years	1 April 2012
S101 Agreement re ICT Support & Hosting Centre Variation ( delegating from CBC to FODC as host authority for CBC/CDC/WODC)	The remainder of the s101 Agreement dated 8 Nov 2010	28 March 2013

- 1.2 Cheltenham Borough Council is in the process of establishing a Trust to operate its leisure and cultural services. The Head of GO Shared Services is working with Cheltenham Borough Council on a proposal for Cotswold District Council to provide Finance, Procurement, HR and Payroll services to the Trust via its GO Shared Services team. The Trust will be an independent entity and therefore its Trustees will decide upon how its support services will be commissioned. The Trustees have now been appointed and, therefore, will be considering the provision of support services over the course of the next few months. Should the Shadow Board of Trustees approve the proposal from GO Shared Services, it is envisioned that Cotswold District Council (lead authority for GOSS) will begin to provide services from October 2014.

- 1.3 In order to ensure that the Cotswold District Council has the resources in place to be able to deliver against the new contract, it is necessary to extend the existing governance arrangements in place for GO Shared Services. Given that the Collaboration Agreement, which underpins GO Shared Services, expires on 7th November 2020, it is logical to extend the other legal agreements (s.101 delegations) to the same time frame. Without the extension delegation arrangements, Cotswold District Council cannot provide the services to the Trust.
- 1.4 In addition, the Chief Executive of Cotswold District Council is leading a project to develop further joint working, one element of which is review of the governance model for GO Shared Services. Once the review is complete, a report will be presented to the Partner Councils recommending a future governance model for GO Shared Services. The extension will allow this to be completed and it is anticipated that this report will be considered during the 2014/15 municipal year.
- 1.5 By extending the governance arrangements to November 2020, the Council and the Trust have assurance that the Cotswold District Council will have access to the resources necessary to deliver the services to the Trust. However, this does not prevent the GO Partner Councils from considering, determining and implementing alternative governance model during this period. The implications for the Trust would be considered as part of the review process.

## **2. Transfer of responsibility for system administration and associated helpdesk function from Forest of Dean District Council to Cotswold District Council**

- 2.1 At present, the Support and Hosting team (employed by Forest of Dean District Council) are responsible for the system administration, training and helpdesk aspects of the Agresso Business World system. However, this cannot be delivered effectively without a close working relationship between the system administrators and the GO Shared Services team.
- 2.2 The boundaries of responsibilities between the GO Shared Services team and the Support and Hosting Teams are not always clear to GO Shared Services customers. The split of responsibilities is hampering service delivery to GO customers; it is therefore proposed that responsibility for system administration function, training and associated helpdesk functions are transferred from the Support and Hosting Team to the GO Shared Services team employed by Cotswold District Council.
- 2.3 Responsibility for maintenance of the ICT infrastructure, database, Agresso Business World platform upgrades, back up processes, Agresso Business World business continuity plan and network functions will remain with the Support and Hosting team.

## **3. Reasons for recommendations**

- 3.1 The existing governance arrangements in place for GO Shared Services expire on 31<sup>st</sup> March 2014. It is possible that Cotswold District Council will be entering into a contract to provide Finance, Procurement, HR and Payroll services to a new Leisure and Cultural Services Trust which is currently being established by Cheltenham Borough Council. Should the Trustees approve the contract terms, it is envisaged that Cotswold District Council will begin to provide services from October 2014. In order to ensure that the Council has the resources in place to be able to deliver against the contract, it is necessary to extend the existing governance arrangements in place for GO Shared Services. Given that the Collaboration Agreement, which underpins GO Shared Services, expires on 7<sup>th</sup> November 2020, it is logical to extend the GOSS s.101 delegations to the same time frame.
- 3.2 The project on extended joint working will include a review of the governance arrangements for GO Shared Services. It is anticipated that the outcome of the review and any resulting recommendations to the Council will be presented to Cabinet and Council during the 2014/15

financial year. Extending the governance arrangements until November 2020, does not prevent this review of governance arrangement being carried out and subsequent changes to governance arrangements being approved and implemented accordingly.

- 3.3 The aim of changing the delegation arrangements for the systems administration and call handling arrangements is to improve services to users of the Agresso Business World product by enabling system administration work to be completed in a more effective and timely manner.

#### **4. Alternative options considered**

- 4.1 Resourcing pressures have not allowed for alternatives to be considered.

#### **5. Consultation and feedback**

- 5.1 SLT and Cabinet Leads are supportive of the proposals.

#### **6. Performance management –monitoring and review**

- 6.1 Performance information is provided to the Client Officer Group on a quarterly basis and the Joint Monitoring and Liaison Group on an exception basis. The Director (Corporate Resources) represents the council on the Client Officer Group and the Cabinet Member for Support Services represents the Council on the Joint Monitoring and Liaison Group.

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<b>Appendices</b>	1. Risk Assessment
<b>Background information</b>	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the proposal to transfer responsibilities is not supported, then the ability to provide customer satisfaction by resolving issues in an effective manner will continue to be hampered.	MS	18/12/13	2	1	2	Reduce	Cabinet to support proposal	14/1/14	Mark Sheldon	
	If the proposal to extend the governance arrangements is not supported, then GOSS cannot provide services to the Leisure and Culture Trust.	MS	18/12/13	2	1	2	Reduce	Cabinet to support proposal	14/1/14	Mark Sheldon	
<b>Explanatory notes</b>											
<p><b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p><b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p><b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

**Guidance**

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;

- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

**Risk ref**

If the risk is already recorded, note either the corporate risk register or TEN reference

**Risk Description**

Please use “If xx happens then xx will be the consequence” (cause and effect). For example “If the council’s business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted.”

**Risk owner**

Please identify the lead officer who has identified the risk and will be responsible for it.

**Risk score**

Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk = for more information on how to score a risk

**Control**

Either: Reduce / Accept / Transfer to 3rd party / Close

**Action**

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

**Responsible officer**

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

**Transferred to risk register**

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on