

Cheltenham Borough Council
Cabinet - 9 February 2016
2020 Vision – Residual Corporate Services Matters

Accountable member	Councillor Jon Walklett, Cabinet Member Corporate Services
Accountable officer	Mark Sheldon, Director of Resources and Projects
Ward(s) affected	None
Key Decision	No
Executive summary	<p>In October 2015 Cabinet and Council approved a number of recommendations to establish the 2020 Vision Joint Committee (hereinafter referred to as the Joint Committee) and for this Council to share more services with the 2020 partner councils. Cabinet is, at this meeting, receiving two reports recommending the delegation of Customer Services, Revenues and Benefits (including Council Tax) functions to the Joint Committee, being new sharing of services arising from the October Cabinet and Council report. During the period since the matter was last considered work has commenced on the creation of the Inter Authority Agreement which will replace the existing legal agreements (s101 agreements) and the GO Shared Services Collaboration Agreement.</p> <p>Since October formal consultation has now taken place and concluded with regard to the Group Manager structure for the 2020 Partnership Venture. These officers will be responsible for the shared services delivered through the Joint Committee and will be managed by the Partnership Managing Director.</p> <p>Work on the legal agreements, finalisation of the management structure and work on the performance monitoring framework has therefore led to a number of residual issues being identified which are now reported to Cabinet for approval and information as appropriate.</p>
Recommendations	<p>Cabinet is recommended to</p> <ol style="list-style-type: none"> 1. Delegate to the 2020 Vision Joint Committee those functions outlined in the Internal Audit Services document attached at Appendix 2 in accordance with the delegation principles in section 7. 2. Delegate to the 2020 Vision Joint Committee those functions outlined in the Counter Fraud Services document attached at Appendix 3 in accordance with the delegation principles in section 7. 3. Agrees the revision to the delegation to the 2020 Vision Joint Committee for ICT services as outlined at paragraph 5.4 and attached at Appendix 4 in accordance with the delegation principles in section 7. 4. Agrees to appoint West Oxfordshire District Council as the Accountable Body to enter into any contracts required on behalf of the

2020 Vision Joint Committee with regard to the provision of ICT services to Cheltenham Borough Council.

5. Authorises the Deputy Chief Executive, in consultation with the Leader and Cabinet Member Corporate Services, to agree whether and to what extent web and digital services (subject to a business case) should be delegated to the Joint Committee in accordance with the delegation principles in section 7.

6. Authorises the Deputy Chief Executive to undertake all necessary processes and actions and the Borough Solicitor to complete appropriate legal documentation in order to facilitate and implement the matters contained in this report.

Financial implications	<p>There are no immediate direct financial implications arising from this report. However, the delegation of these existing shared services to the Joint committee support the overall programme for which there is a further savings target for support services in phase 3 of the programme i.e. after 2019/20.</p> <p>The programme has a budget of £10m of which £1.5m is set aside for partnership wide investment in business systems to support improvement in services.</p> <p>The proposal to align and deliver a consistent approach to ICT security and data protection across all partner sites will help reduce the net cost of the administrative overhead to the council.</p> <p>Contact officer: Paul Jones, Section 151 Officer, paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>The relationship between the partner councils and the Joint Committee will be set out in the inter-authority agreement which will, inter alia, set out the Joint Committee obligations, the administering authority's obligations, the accountable body's obligations, staffing and exit arrangements.</p> <p>The existing s101s and Collaboration Agreement will be terminated and replaced by the inter authority agreement. Arrangements with Ubico, The Cheltenham Trust and CBH will need to be amended accordingly.</p> <p>The delegation of functions to the Joint Committee will be subject to the overriding principle that the Joint Committee will undertake operational work and that strategic and policy matters (except HR policies) will be retained by the council.</p> <p>Contact officer: Peter Lewis, Head of Legal, peter.lewis@tewkesbury.gov.uk, 01684 272012</p>

HR implications (including learning and organisational development)	<p>There are no direct HR implications for Cheltenham Borough Council arising from this report. Secondment agreements are already in place for the two CBC officers who are working as part of Counter Fraud Team.</p> <p>The responsibility for managing HR implications falls to the employing authority for Audit Services (CDC) and for ICT (FoDDC). GOSS HR will provide guidance to those Councils on HR implications as they arise.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
Key risks	<p>The key risks for this Council relates to the need for service standards to be clearly stated in the Joint Committee service plans.</p>
Corporate and community plan Implications	<p>2020 Vision supports the Council's objective of providing value for money services that effectively meet the needs of CBC customers and community.</p>
Environmental and climate change implications	<p>None arising from this report</p>
Property/Asset Implications	<p>None arising from this report</p> <p>Contact officer: david.roberts 01242 774151, David Roberts@cheltenham.gov.uk</p>

1. Background

- 1.1 Since October 2015 when this council considered and approved the recommendations of the 2020 Vision report progress has been made with the necessary arrangements to establish the Joint Committee including
- Detailed scoping of the service functions to be delegated to the Joint Committee
 - Finalisation of the Inter Authority Agreement
 - Formal consultation on the Partnership Venture Group Management Structure
 - Establishing the client and performance management arrangements for monitoring the performance of the services delegated to the Joint Committee.
- 1.2 The further work undertaken since October has therefore revealed a number of residual issues which now need the approval of Cabinet in order to progress the delegations and finalisation of various legal documentation.

2. Internal Audit

- 2.1 On 15 November 2011, Cabinet delegated this council's internal audit services to Cotswold District Council, including the transfer of staff under TUPE (Transfer of Undertakings (Protection of Employment)).
- 2.2 Since this council considered the 2020 Vision report and recommendations formal consultation has now taken place and concluded on the Partnership Venture Group Management Structure. The structure includes for a Group Manager responsible for Finance, HR and Audit. Therefore it is proposed that the internal audit functions, as currently carried out under an existing shared service by Audit Cotswolds, be delegated to the Joint Committee.
- 2.3 The responsibility for the provision of the Audit service will remain with the Section 151 Officer. The scope of internal audit activities proposed to be delegated is shown at **Appendix 2**. Audit Cotswolds do not provide a service to Forest of Dean District Council (FoDDC) who receives their service from SWAP (South West Audit Partnership).
- 2.4 The council's Audit Committee will be updated on the proposal to delegate the internal audit service at its meeting on 23rd March 2016.
- 2.5 Under the current s101 agreement the Audit Committee is designated as the Member level group for monitoring the performance of the current partnership. This is enabled by the fact that the Audit Committee is responsible for ensuring an effective Internal Audit Service as provided under their current Terms of Reference in this council's Constitution.
- 2.6 The proposal here is therefore that the Audit Committee will remain the designated member level group for the new shared service being delivered by the Joint Committee.

3. Counter Fraud Unit

- 3.1 On 10 February 2015, Cabinet received a report "Counter Fraud Unit – An Evolutionary Approach, and approved the establishment of a Counter Fraud Unit to be managed by the Council's internal audit provider, Audit Cotswolds.
- 3.2 The unit is still in embryonic phase with staff seconded to develop work streams which tackle fraud e.g. single person council tax discount using funding provided by DCLG.

- 3.3** The scope of counter fraud unit activities proposed to be delegated to the Joint Committee is shown at **Appendix 3**.
- 3.4** A decision to delegate internal audit functions to the Joint Committee would mean that the functions of the Counter Fraud unit would likewise need to be delegated.
- 3.5** As outlined in the February 2015 Cabinet report the Audit Committee already receives an annual counter fraud report from the Head of Internal Audit and it is proposed that the committee will continue to monitor the work of the unit as delivered by the Joint Committee under the new arrangements. The performance management and governance arrangements have yet to be agreed by the partnership.

4. Accountable Body Status for ICT

- 4.1** The October 2015 report on 2020 Vision stated that Cotswold District Council would be the Accountable Body to enter into any contracts on behalf of the Joint Committee. Operational reasons have resulted in a recommendation that, in the case of ICT contracts only, West Oxfordshire be the contracting authority on behalf of the Joint Committee. All other Joint Committee contracts would be with Cotswold District Council.

5. ICT Service Standards and Performance Indicators

- 5.1** On 11 December 2012, Cabinet approved the sharing of this council's ICT service with the FoDDC as lead authority from 1 April 2013. In October 2015 it was agreed to delegate to the provision of ICT to the 2020 Vision Joint Committee.
- 5.2** Whilst ICT is not the subject of a separate cabinet report because it is not a new shared service, since the original business case was written in 2012 there has been considerable change and development within the existing ICT shared service.
- 5.3** The shared service has focused activity over recent years on implementing the ICT upgrade strategy to address the underinvestment in the council's ICT infrastructure which has resulted in stabilisation of the core ICT infrastructure. This activity has been supported by officers from CDC and WODC which has ensured that the ICT infrastructure across the 4 2020 Vision partner councils is aligned.
- 5.4** In reviewing the ICT functions to be delegated to the Joint Committee, there is an opportunity to align behind a common approach to ICT security (policies, procedure and advice) which is currently provided by the 2 separate ICTSS for FOD, West Oxford and Cotswold DC but not for Cheltenham where the Corporate Governance Officer provides this role. Similarly, data protection (data handling advice and guidance, policy and management and investigation of security breaches) is currently provided by the 2 separate ICTSS for FOD, West Oxford and Cotswold DC but not for Cheltenham where the Corporate Governance Officer provides this role. It is proposed that the 4 way ICTSS provides this common service across all partners thereby providing a consistent and cost effective approach for staff working across all sites. This recommendation is reflected in the revised list of ICT functions delegated to the Joint Committee at Appendix 4.
- 5.5** The service being delegated from day 1 is an 'as is' position i.e. the same level of service currently that is currently being provided. The proposal is for the Group Manager - Customer and Business Support to develop a service plan for the 4 way ICT shared service by June 2016 which will include performance measures to be agreed by the Joint committee for all 4 councils. This will provide an opportunity to revisit the service standards and performance indicators that this council will require to be met by the Joint Committee.

6. Web and digital services

- 6.1** There is a supporting piece of work being undertaken between Cotswolds, West Oxfordshire and Forest of Dean District Councils to share web and digital services. The project will seek to pool the limited web resource in the three Councils to build a stronger more resilient web-team that is not just concerned with managing day to day activities, but that will also work alongside the Customer Access project and users to develop and improve the digital services to meet customer needs.
- 6.2** Cheltenham Borough Council has been invited to join the sharing arrangement and officers are currently developing a business case which will consider the merits of remaining in-house alongside the shared option. It is proposed that, subject to the business case, the Deputy Chief Executive, in consultation with the Leader and Cabinet Member Corporate Services, will agree whether and to what extent web and digital services will be delegated to the Joint Committee.

7. Scope of Delegations

- 7.1** The functions to be delegated to the Joint Committee in respect of Internal Audit and the Counter Fraud Unit are as set out in Appendix 2 and 3. The functions delegated in respect of ICT, including the delegation of data handling and ICT security as per section 5.4) are set out in Appendix 4, with the potential additional delegation of web and digital services (see section 6 above). The Joint Committee will agree its own scheme of officer delegation for delivery of the functions and officers working within the Joint Committee services will operate within that scheme.
- 7.2** In order to be able to create a functioning service, the Joint Committee and its officers will undertake day-to-day operational decisions regarding the functions that are delegated to it. These include the management of staff and resources (delegated budget) and decisions in respect of the provision of the service e.g. response to emergencies or business interruptions.
- 7.3** The delegation of the functions to the Joint Committee will be subject to the overriding principle that the Joint Committee will undertake operational work and that strategic and policy matters (except HR policies) will be retained by the council.

8. Reasons for recommendations

- 8.1** In order to progress the recommendations of the October Cabinet and Council report and to establish the Joint Committee and the shared services.

9. Alternative options considered

- 9.1** The new shared service business cases have considered alternative delivery options and are subject to separate reports to Cabinet at this meeting.

10. Consultation and feedback

- 10.1** The Audit Committee will be briefed on 23rd March 2016 with regard to the delegation of internal audit services and the counter fraud unit to the Joint Committee. Overview and Scrutiny have received a discussion paper on the interim client and commissioning arrangements and any feedback will be provided to Cabinet in advance of this meeting.
- 10.2** Members and staff have taken part in a number of workshops and seminars in the period up to the October Cabinet and Council report and staff workshops are continuing to take place.
- 10.3** Trade Union and employee representatives are being kept informed of progress through a number of formal and informal meetings. At CBC colleagues have been updated through the

Joint Liaison Forum and the Joint Consultative Committee and the GO Shared Services Head of HR and the Partnership Managing Director have meetings with trade union colleagues also.

11. Performance management – monitoring and review

- 11.1** The Joint Committee Constitution requires the Partnership Managing Director, each year, to submit a 3 year business plan with an annual action plan and the Inter Authority Agreement will also include the relationship between the annual action plan and the service standards and the performance indicators that the Partnership Venture will be monitored against.
- 11.2** The Inter Authority Agreement will require the Partnership MD to present reports to the partner councils on the effectiveness of the Joint Committee in meeting its performance and efficiency savings targets.

Report author	Contact officer: Mark Sheldon, Director of Resources and Projects, Mark.sheldon@cheltenham.gov.uk, 01242 264123
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Internal Audit Service Scope 3. Counter Fraud Service Scope 4. ICT Service Scope
Background information	<ol style="list-style-type: none"> 1. 2020 Vision Cabinet and Council Report – 13 October 2015 and 19 October 2015 2. Update on sharing services as part of the 2020 Partnership – Overview and Scrutiny Committee 25 January 2016

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
1	If ICT service standards and performance indicators are not developed the council will be unable to measure the performance of the service.	Pat Pratley	9.2.15	3	3	9	Reduce	The Joint Committee will produce a service plan for ICT / Customer services by June 2016. The IAA contains a requirement for a 3 year service plan.	12.2.15	Pat Pratley	
2	If the process for monitoring the performance of the Joint Committee shared services is not agreed or clear then the performance of the shared services will not be effectively measured.	Pat Pratley	9.2.15	3	3	9	Reduce	The Inter Authority Agreement will include provision for holding the Partnership MD to account for the delivery of the shared services to the required standards and to achieve the agreed performance targets	12.2.15	Pat Pratley	
<p>Explanatory notes</p> <p>Impact – 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>Likelihood – 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>Control - 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 [scorecard](#) 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