

## Audit and Governance Committee

13 January 2009

Report of the Assistant Director (Customer Service and Governance)

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## Shared Service – Update Report

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### Summary

- 1 To advise Members of the progress which has been made to date in developing the shared service initiative with North Yorkshire County Council (NYCC).

### Background

- 2 A report was presented to Corporate Services EMAP on 18 March 2008, which detailed the Outline Business Case (OBC) for the shared service. The OBC set out the aims and objectives of the project, and the outcome of the options analysis for the future direction and the long term organisational structure of the service. Members agreed that:
  - a) work should continue to progress the shared service between CYC and NYCC;
  - b) officers should develop a detailed Business Case for the implementation of a wholly owned company limited by shares or guarantee as the preferred (in principle) long term organisational structure of the shared service.

It was also agreed that officers would seek final Member approval before progressing to full implementation of the chosen option.

- 3 The following outline timetable was agreed for developing the detailed Business Case/Project Implementation Plan;

Action	Date
Prepare detailed Project Implementation Plan – which would include the following elements: <ul style="list-style-type: none"><li>• Company formation</li><li>• Governance arrangements</li><li>• Client roles and reporting arrangements</li><li>• Contract preparation</li><li>• Charging arrangements</li><li>• Cost allocation</li><li>• Staffing</li><li>• Accommodation, IT and support services</li></ul>	April - August 2008

Prepare Change Management Programme	June - August 2008
Implement agreed structure, subject to final Member approval.	September - December 2008
Target go-live date	1 April 2009

- 4 A further progress report was presented to Corporate Services EMAP on 10 June 2008. The report provided details of:
- a) the progress made to integrate working practices and systems across both Council's teams;
  - b) the draft project implementation plan.
- 5 Members also approved the following minor adjustments to the scope of the project and hence the Outline Business Case:
- a) to incorporate the transactional elements of data management work at CYC within the shared service. This work includes the recording, distribution, monitoring and tracking of information requests to the Council (Freedom of Information requests and Data Protection Act – subject access enquiries), together with the administration of the Staff Warning Register and the central record of Regulation of Investigatory Powers Act (RIPA) authorisations.
  - b) to transfer two Administrative Support posts into the shared service. The two post holders provide administrative and technical support to the Audit and Fraud teams, as well as undertaking the transactional data management work.

### Progress to Date

- 6 Good progress has continued to be made to integrate working practices and systems across both teams. The objective has been to streamline processes and adopt the appropriate best practice from either Council. The work has included the preparation of consolidated audit and fraud procedure manuals, and the development of standard audit programmes, a standard audit planning methodology and new audit report formats. Work has also continued with the process to migrate NYCC audit staff from their existing IT system to the CYC Galileo.net application. This work has involved reconfiguring the existing CYC system and the transfer of data from the NYCC system. The development work is now substantially complete, and NYCC staff are expected to start using the new system in late January, following appropriate training.
- 7 The Project Board has also been coordinating the work necessary to prepare the detailed Business Case and the associated Project Implementation Plan. A draft Business Case has been prepared, which is being considered by management at both Councils. Finance, Legal and HR representatives from both Councils have been involved with the

development of the Business Case. Once finalised the Business Case is due to be presented to the Executive on 20 January 2009.

## Consultation

- 8 Staff from both authorities, together with representatives from Unison and the GMB have been kept informed of progress with the development of the shared service. The Project Board has provided copies of all key documentation, minutes of meetings and information sheets to the staff and union representatives. Regular staff workshops have been held, and a weekly e-mail newsletter has also been circulated.
- 9 Formal consultation with staff and the unions on the proposals commenced on 13 November 2008.

## Options

- 10 Not relevant for the purpose of the report.

## Analysis

- 11 Not relevant for the purpose of the report.

## Corporate Priorities

- 12 This report contributes to the Council's overall aims and priorities by helping to provide strong leadership, and by encouraging improvement in everything we do.

## Implications

- 13 The implications are;
  - **Financial** – Finance has been involved in the preparation of the draft Business Case/Project Implementation Plan. Final implementation of the long term structure for the shared service will only take place subject to Member approval.
  - **Human Resources (HR)** – HR has been involved in the preparation of the draft Business Case/Project Implementation Plan. Final implementation of the long term structure for the shared service will only take place subject to Member approval.
  - **Equalities** - there are no equalities implications to this report.
  - **Legal** – Legal has been involved in the preparation of the draft Business Case/Project Implementation Plan. Final implementation of the long term structure for the shared service will only take place subject to Member approval.
  - **Crime and Disorder** – there are no crime and disorder implications to this report.

- **Information Technology (IT)** – IT has been consulted as part of work to prepare the draft Business Case/Project Implementation Plan.
- **Property** - It is proposed that the Council will provide fully serviced accommodation to the shared service, keeping with the provision currently made available to CYC audit and fraud staff. Property has been consulted as part of work to prepare the draft Business Case/Project Implementation Plan.

## Risk Management Assessment

14 A detailed risk assessment was undertaken as part of the work to prepare the Outline Business Case. The risk assessment included consideration of the risks associated with both the project and the preferred option for the long term structure of the shared service. The Project Board has continued to monitor the identified risks and, where possible has taken mitigating action.

## Recommendation

15 Members are asked to:

- Note the progress which has been made in developing the audit and fraud shared service to date, and the work undertaken to develop the full Business Case/Project Implementation Plan (prior to final Member approval).

### Reason

*To enable Members to consider the progress made to date.*

## Contact Details

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Report Approved



Date 16.12.08

## Specialist Implications Officers

Patrick Looker - Finance  
Janet Neeve - HR  
Glen McCusker - Legal

**Wards Affected:** Not applicable

All



**For further information please contact the author of the report**

**Background Papers**

Strategic Business Case for the Shared Service  
Outline Business Case