London Borough of Merton

Report and recommendations arising from the scrutiny task group review of shared services in Merton

Overview and Scrutiny Commission

July 2015

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Acknowledgements

The task group would particularly like to thank the council officers and directors who shared their experiences and thoughts with us.

All contributors are listed in Appendices1 and 2 of this report.

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Executive Summary

This is the first in a series of task group reviews established by the Overview and Scrutiny Commission to increase its knowledge of different models of service provision and the associated implications for scrutiny. This review has focussed on shared services. Subsequent reviews are planned to examine outsourced and commissioned services, amongst other models to be determined by the Commission.

Task group members have had in-depth discussions with service managers and directors in order to identify the different ways in which local authorities can co-operate to share service provision, management or procurement; what benefits and challenges are associated with shared services; and what the key factors are for successful sharing. They have spoken to directors and managers of existing and planned shared services as well as discussing instances where initial discussions have not led to the establishment of a shared service.

The task group found that, as for all delivery models, how the service is specified and managed will be key to its success. Other factors contributing to success are strong, enthusiastic leadership, senior management and political support, good project management and support from a range of internal support services.

The council has taken a pragmatic approach towards setting up shared services, seizing opportunities as they arose as well as actively seeking partnerships for those services that would benefit from this. The task group found that, although this approach has served the council well, more could be done to support service managers through the initial assessment, negotiation and establishment phases.

The task group found that the benefits to be gained from a shared service arrangement are considerable. What the benefits are will depend on the nature of the services being shared and the model of shared service delivery that is chosen, and may include financial savings, services that are of better quality, more specialised and more resilient as well as opportunities for staff development and better retention of staff.

The task group has made a small number of recommendations aimed at strengthening the decision making process and supporting service managers through the negotiation, set-up and delivery phases of a shared service. It has also recommended that scrutiny should take a role in reviewing the operation, performance and budget of large or strategically important shared services.

It is anticipated that a number of these recommendations may also apply to other models of service provision and so the task group has recommended that the Overview and Scrutiny Commission receives several task group reports before forwarding a composite report to Cabinet for its consideration.

The task group’s recommendations run throughout the report and are listed in full overleaf.

List of task group's recommendations

	Responsible decision making body
Recommendation 1 (paragraph 14)	
We recommend that the Head of Democracy Services contacts the Chief Executive of Achieving for Children (a shared service between Richmond and Kingston Councils) to organise a visit for task group members to scrutinise their delivery model on a date that is convenient to Achieving for Children	Overview and Scrutiny Commission
Recommendation 2 (paragraph 22)	
We recommend that decision making on the establishment of new shared services is strengthened through the production of a standardised business case that is presented to the Corporate Management Team and to Cabinet (or the relevant individual Cabinet Member for smaller shared services) for approval. This business case should include financial modelling as well as details of other expected benefits so that vigorous challenge can be provided prior to a formal decision being made.	Cabinet
Recommendation 3 (paragraph 29)	
We recommend that Cabinet should ensure there is support provided to service managers who are exploring the feasibility of establishing a new shared service so that these managers can draw on learning and expertise that already exists within the council. We suggest that this should take the form of an on-line resource such as a checklist of issues to consider and contact details of officers who can provide advice and support. The resource should also include guidance on developing the business case for the service as set out in recommendation 2 above.	Cabinet
Recommendation 4 (paragraph 49)	
We recommend that Cabinet ensure that a training or briefing resource is developed for officers in those corporate teams (such as HR, IT, finance and facilities) so that they understand the delivery model and likely support requirements of the council's shared services.	Cabinet
Recommendation 5 (paragraph 50)	
We recommend that the council's Corporate Management Team use its review of the Target Operating Model, in particular the corporate layers, to ensure that learning from existing shared services has been captured and that	Cabinet – delegated to CMT

there is a standardised approach to modelling proposed new shared services.	
Recommendation 6 (paragraph 53)	
We recommend that scrutiny should take a role in reviewing the operation, performance and budget of large or strategically important shared services 15 months after their start date and when the agreement is due for review.	Overview and Scrutiny Commission
Recommendation 7 (paragraph 54)	
We recommend that in considering which shared services to scrutinise, the Overview and Scrutiny Commission and Panels should bear in mind the governance structure for the service so that scrutiny activities do not duplicate the function of elected members on any governance committee that has been established.	Overview and Scrutiny Commission
Recommendation 8 (paragraph 62)	
We recommend that the Overview and Scrutiny Commission should continue to commission mini task groups to examine other models of service delivery.	Overview and Scrutiny Commission
Recommendation 9 (paragraph 63)	
We recommend, that due to the cumulative approach to learning adopted through this series of task group reviews, the Overview and Scrutiny Commission should send a joint report to Cabinet once several task group reviews have completed rather than sending each one separately.	Overview and Scrutiny Commission

Report of the Shared Services Scrutiny Task Group

Introduction

Purpose

1. The Overview and Scrutiny Commission has recognised that scrutiny members will increasingly be scrutinising services that have been provided or commissioned through a wide range of different channels or mechanisms, as well as scutinising proposals to move to alternative delivery arrangements.

2. In order to be able to carry out such scrutiny effectively, the Commission, on 29 January 2015 and at subsequent meetings, resolved to set up a series of task group reviews to increase its knowledge of different models of service provision and the associated implications for scrutiny.

3. This, the first such task group, has focussed on shared services. The task group's terms of reference were:

   - to examine a range of examples of shared service provision in Merton and elsewhere;
   - to identify the potential advantages and challenges of shared service provision for the council, its partners and local residents;
   - to identify the best approach to scrutinising shared services to ensure that the council is receiving value for money and effective service provision.

What the task group did

4. The task group has had three formal meetings plus a number of discussions with service managers and directors. It has received a presentation on shared service definitions and models, a list of current shared services in Merton and a number of background policy documents.

5. Task group members spoke to directors and managers of existing shared services as well as managers who had been involved in discussions with another authority but these discussions had not proceeded to the establishment of a shared service.

6. Appendix 1 lists the written evidence received by the task group and Appendix 2 contains a list of witnesses at each meeting.

7. This report sets out the task group's findings, conclusions and recommendations. The task group's recommendations run throughout the report and are set out in full in the executive summary at the front of this document.

What is a shared service?

8. Essentially a shared service involves two or more organisations agreeing to join forces to provide or commission a service, part of a service or combination of services jointly rather than separately. CIPFA has provided an all encompassing definition:

> "working together across organisational boundaries to achieve together what would be more difficult alone" (CIPFA 2010).

9. During this review we have heard that there are various different models for the operation of a shared service. The three models that have been most commonly used in Merton to date are:

- Principal partner led, whereby one lead organisation assumes responsibility for running defined services for other organisations under formal delegated arrangements. The lead organisation delivers the service with its own (or seconded) resources; the other partners "purchase" the service from the lead. Examples of this are the HR shared service (where LB Sutton is the lead) and the South London Legal Partnership (where Merton is the lead).
- Jointly managed services, whereby a formal arrangement is established for a defined purpose, which delivers services back to its partners or directly to the public. An example of this is the shared regulatory service (environmental health, trading standards and licensing) which is governed by the Joint Regulatory Service Committee of councillors from Merton and Richmond.
- Joint working, whereby each partner acts independently and retains responsibility for the service in-house. An example of this approach is the South London Waste Partnership for the joint procurement of services.

10. Appendix 3 contains a list of shared services to which Merton Council currently belongs.

11. The shared service approach could be combined with other models of service delivery, for example:

- Public- private partnership, typically a medium to long term arrangement whereby some of the service obligations of public sector organisations are provided by one or more private sector companies. A possible example of this is the tri borough partnership with BT on back office functions.
- Outsourcing, whereby a third party provider takes full responsibility for managing and operating services on behalf of more than one public sector organisation. It would be possible for the South London Waste Partnership to operate in this way in future.

12. We had hoped to visit the Achieving for Children service (an example of the third party model in which Richmond and Kingston councils are the only shareholders) in order to explore their delivery model and find out how it has impacted on frontline services and service users. However, they were being inspected by Ofsted at the time so we have examined information from the website and hope to visit at a future date.

13. We recommend that the Head of Democracy Services contacts the Chief Executive of Achieving for Children (a shared service between Richmond and Kingston Councils) to organise a visit for task group members to scrutinise their delivery model on a date that is convenient to Achieving for Children. (recommendation 1)

Decision making processes

14. We heard that there had been discussion at the Corporate Management Team and elsewhere to explore the different models of service delivery available to the council.

15. The council has used the development of series of strategy documents known as Target Operating Models (TOMs) to set out how it will deliver its services within a certain structure as a future point in time. There are a number of elements (or layers) to a TOM; for Merton these are – customer segments, channels, services, organisation, processes, information, technology, physical location and people. We were informed that the TOMs have been used as a key way of encouraging service managers to consider different ways of providing services.

16. The directors described to us how they assessed the optimum model for each service, commissioning business cases where appropriate and taking into account pertinent factors such as costs, financial and other benefits, availability of partners and whether there is a mature private sector market for the service. The existence of a private sector market makes it possible to estimate potential savings in advance. Without this it is more difficult to predict what savings may be achieved.

17. The directors have sought to identify and discuss potential shared services and other ways of working in partnership for a number of years. For example, a sub regional network of directors of environment and regeneration was established five years ago and they have identified where the boroughs may have an interest in collaborating.

18. Our discussions with service managers and directors has identified that the motivation for establishing shared services has been driven by a combination of savings targets, service improvement and the need for greater resilience.

19. We explored the extent to which the decision making for each of the shared services had been opportunistic or part of an overall plan. We heard that a mix of the two was usually involved, though the balance has shifted over time from opportunistic towards planned as the council has had more direct experience of the benefits that shared services can bring. The directors told us that this pragmatic approach has served the council well. We were pleased to hear that the council had not taken an ideological stance and endorse this pragmatic approach.

20. We heard how useful the development of a business case is in identifying whether a shared service is the best option, guiding the negotiations of the authority and identifying where savings and other efficiencies could be made. We heard that this is useful even where the proposed shared service did not go ahead and that the information will provide a baseline for any future discussion of shared services or other delivery models.

21. We believe that there is scope to increase the consistency and transparency of decision making through a standardised approach to developing the business case for a potential shared service.

22. We therefore recommend that decision making on the establishment of new shared services is strengthened through the production of a standardised business case that is presented to the Corporate Management Team and to Cabinet (or the relevant individual Cabinet Member for smaller shared services) for approval. This business case should include financial modelling as well as details of other expected benefits so that vigorous challenge can be provided prior to a formal decision being made. (recommendation 2)

23. The willingness of other organisations to share is clearly crucial in being able to establish a shared service, as well as mutual trust and a shared vision for the service(s) in question. Having senior stakeholders (both officers and members) on board is essential. Our discussions indicate that the lack of full commitment from a suitable partner is the main factor when shared service negotiations fail to come to fruition.

24. Merton has partnered with a variety of boroughs over the years, as shown in the list of shared services in Appendix 3. Merton's options sub-regionally are more limited now that Richmond and Wandsworth have a formal agreement to partner with each other. It would be possible for Merton to join individual shared services jointly established by Richmond and Wandsworth. Those councils would make decisions on a case by case basis but there is often a preference to start shared services on a small scale and having three boroughs could be too complex initially for some services.

25. We heard that the culture of the organisations and/or individual services plus political factors have an influence on the likelihood of a proposed

shared service going ahead. Officers told us that it can be difficult to read this in advance of starting discussions on a proposed shared service. We understand that these factors are less of an issue for services such as environmental services because the legislative requirements involved have resulted in less scope for local differences in service provision.

26. We asked officers whether there would be a natural size limit for a shared service. They told us that this would depend on the nature of the service and the extent to which geographical considerations would be a factor in the provision of the service. The officers agreed that its best to start with two boroughs and build up once it is working.

27. We heard that it typically takes officers more than a year to negotiate and prepare for the establishment of a new shared service. We understand that officers exploring the feasibility of a new shared service receive support from other managers of shared services in Merton and from any existing shared services for their service area elsewhere in the country.

28. Our view is that this rather ad-hoc approach could be improved on through the provision of a corporate resource on which such managers could draw. We were impressed by the "close down" report that was produced to document the learning from the establishment of the South London Legal Partnership (4 borough shared legal service) and believe that this could be used as the starting point in the development of a checklist of issues to be taken into consideration by service managers.

29. We recommend that Cabinet should ensure there is support provided to service managers who are exploring the feasibility of establishing a new shared service so that these managers can draw on learning and expertise that already exists within the council. We suggest that this should take the form of an on-line resource such as a checklist of issues to consider and contact details of officers who can provide advice and support. The resource should also include guidance on developing the business case for the service as set out in recommendation 2 above. (recommendation 3)

Benefits of shared services

30. We were struck by the enthusiasm with which managers of existing shared service spoke of the benefits that sharing had brought to their services. These benefits have been wide ranging and we have grouped the impact into three headings in order to capture them below – finance, customers and staff.

<u>Finance</u>

31. The council has achieved considerable financial savings through sharing services with other boroughs. These have been achieved through

economies of scale on service delivery and procurement of services and systems, reduction of staff numbers, service delivery efficiencies and rationalisation of systems.

32. We heard that:

- the South London Legal Partnership has reduced Merton's legal services budget by 16-20% since 2011 by reducing the overall number of staff through sharing with three other councils and reducing the hourly charge to the council from £68 to £55.

- The shared regulatory service (environmental health, trading standards and licensing teams) has reduced Merton's related budget by c22% since 2014 by reorganising and reducing management (phase 1 and operational posts (phase 2). Phase 2 will involve losing around 8FTE from 43 operational staff.

- Merton has saved 45% from the HR shared service since 2009. Overall, staff numbers have reduced from 130 to 90, with greater savings at senior levels. Joint procurement and business process re-engineering have also made a significant contribution to savings.

33. The managers we spoke to pointed out that one of the advantages of a shared service is that it can provide some resilience once savings have been made.

34. We were advised that establishing a shared service does not in itself create savings. As with all delivery models, savings are made through analysing costs, breaking the service down into component parts, redesigning the structure and processes to create a more efficient service that is fit for purpose and can be delivered within the available budget.

Impact on customers

35. We heard that sharing services can lead to a better quality service plus opportunities to provide services that wouldn't have been possible within a single authority. For example, the South London Legal Partnership has been able to provide services to its (internal) customers at a lower cost than previously as well as providing greater specialist knowledge and experience.

36. The manager of the South London Legal Partnership encourages the lawyers to walk round and talk to staff when they are in each of the client boroughs in order to maintain the service's visibility and foster clients' perception that they have an in-house legal team.

37. As many of the shared services we scrutinised predominantly have internal customers, we have been unable to assess the impact that sharing services might have on Merton residents. We are therefore keen

to visit Achieving for Children in order to examine the impact that this has had on service users (children and their families) – see recommendation 1 in paragraph 14.

Staffing

38. We were interested to hear that there are considerable advantages for staff joining a shared service, particularly in giving them access to work experience that they wouldn't have had in their own borough, a peer group for very specialised areas and more opportunities for career advancement. We were told that in some instances the move to a shared service had provided a catalyst for change and had reinvigorated the workforce.

39. We also heard that an effective and well regarded shared service is in a stronger position to attract better staff than a small single borough service that may be too small to provide a range of professional experience for career development purposes. For services where there is a high turnover of staff, a shared service can provide continuity and resilience.

40. The quality of leadership, particularly having a service manager who is positive and committed to the shared service, is of vital importance. Such leadership will help to enthuse staff and guide them through the new ways of working that are required to make shared services successful but initially can be threatening or difficult for staff. We are mindful that senior staff are more likely to be made redundant when shared services are introduced due to restructuring and reduction in senior posts.

Being the lead borough

41. We asked officers whether there were advantages in being the lead borough. They said the answer to this will depend on the service concerned. It can be a boost to staff morale or it can be threatening if staff are not comfortable with change. Team dynamics vary and whether the team is predominantly office based or mobile ("out in the field") will also impact on this.

42. We heard that is important to be able to retain the borough's distinctive image for both internal and external customers.

Challenges and lessons learned

43. We heard that the provision of support from the council's IT, HR, finance and facilities teams has been crucial in ensuring that shared services work effectively from the outset. This was particularly important for the South London Legal Partnership (Merton lead) as staff are based off-site

at Gifford House in Morden with space and Merton wi-fi provision in each of the boroughs.

44. We believe that, in order to provide effective support to shared services during the development phase and subsequently, it would be helpful to provide a briefing to those corporate teams that are most likely to be called upon to provide support. This would increase their understanding of the shared service delivery model and its needs and support requirements.

45. Overheads can be expensive and therefore provide a challenge to savings targets for shared services. The evaluation work that was done after the expansion of the legal shared service to four boroughs asserted that a model of overheads is needed that can apply to all future shared services. The report recommended that in future a base agreement on how to treat overheads should be agreed by all participating authorities in advance of setting up a shared service.

46. We heard that the savings programmes adopted by individual authorities can be problematic for some shared services. Authorities will therefore need to agree their approach to future savings so that these can be applied fairly across the shared service authorities in terms of the budget and the impact on the service provided to each authority.

47. We were advised that when councils enter into a shared service agreement, they need to identify those aspects of the work that are top priority and those that add value and focus on them rather than trying to replicate all that was previously provided. For example, attendance at departmental management team meetings became a time consuming activity for the head of the South London Legal Partnership so alternative ways of keeping abreast of management issues were found.

48. We think that there may be a number of issues that the managers of shared services face that would benefit from being shared with the Corporate Management Team so that they can address these in a corporate way. These may include issues such as HR and IT policies and procedures, systems, communication mechanisms for staff, support for managers during preparation for and subsequent establishment of shared service, model of charging for overheads, modelling a fair approach for future savings

49. We recommend that Cabinet ensure that a training or briefing resource is developed for officers in those corporate teams (such as HR, IT, finance and facilities) so that they understand the delivery model and likely support requirements of the council's shared services. (recommendation 4).

50. We further recommend that the council's Corporate Management Team use its review of the Target Operating Model, in particular the corporate layers, to ensure that learning from existing shared

services has been captured and that there is a standardised approach to modelling proposed new shared services. (recommendation 5)

Governance and scrutiny

51. Governance to shared services is provided in a number of different ways including joint committees that meet in public or a governance board. Appendix 3 contains information on the governance arrangements for Merton's current shared services.

52. Scrutiny bodies may be called upon to look at the decision to move to a shared service and/or the delivery of the service at a later stage, particularly for services that are received by residents

53. We recommend that scrutiny should take a role in reviewing the operation, performance and budget of large or strategically important shared services 15 months after their start date and when the agreement is due for review. (recommendation 6)

54. We further recommend that in considering which shared services to scrutinise, the Overview and Scrutiny Commission and Panels should bear in mind the governance structure for the service so that scrutiny activities do not duplicate the function of elected members on any governance committee that has been established. (recommendation 7)

Concluding remarks

55. Shared service provision is one of a range of delivery models available to the council. As for all delivery models, how the service is specified and managed will be key to its success. Other factors contributing to success are strong, enthusiastic leadership, senior management and political support, good project management and support from a range of internal support services.

56. The council has taken a pragmatic approach towards setting up shared services, seizing opportunities as they arose as well as actively seeking partnerships for those services that would benefit from this. Although this approach has served the council well, we believe that more could be done to support service managers through the initial assessment, negotiation and establishment phases. We have made a number of recommendations that will help with this.

57. The benefits to be gained from a shared service arrangement are considerable. What the benefits are will depend on the nature of the services being shared and the model of shared service delivery that is chosen, but may include:

- financial savings through economies of scale, service delivery efficiencies, reduction in staff numbers and rationalisation of IT and other systems
- better quality service provided to customers at lower cost to each authority
- opportunities to provide a more specialised service and to offer services that couldn't have been provided by individual authorities
- opportunities for staff development and career advancement
- resilience for services facing budget cuts

58. The decision as to what the optimum model of service provision is for an individual service should be based on a professionally drawn up business case that is subjected to rigorous and independent challenge. We have recommended that this challenge should be provided by the Corporate Management Team and Cabinet (or individual cabinet member for smaller shared services).

59. We have recommended that scrutiny should take a role in reviewing the operation, performance and budget of large or strategically important shared services 15 months after their start date and when the agreement is due for review. The extent to which scrutiny is involved will depend on the governance arrangements so that we do not duplicate a function already being carried out by elected members on a joint committee.

What happens next?

60. This task group was established by the Council's Overview and Scrutiny Commission and so this report will be presented to its meeting on 14 July 2015 for the Commission's approval.

61. This has been an interesting and useful task group and we have learned a lot about shared services, some of which has overlapped with consideration of other models such as outsourcing and commissioning.

62. We therefore recommend that the Overview and Scrutiny Commission should continue to commission mini task groups to examine other models of service delivery. (recommendation 8)

63. We further recommend, that due to the cumulative approach to learning adopted through this series of task group reviews, the Overview and Scrutiny Commission should send a joint report to Cabinet once several task group reviews have completed rather than sending each one separately. (recommendation 9)

64. Once Cabinet has received the task group report, it will be asked to provide a formal response to the Commission within two months.

65. The Cabinet will be asked to respond to each of the task group's recommendations, setting out whether the recommendation is accepted and how and when it will be implemented. If the Cabinet is unable to support and implement some of the recommendations, then it is expected that clearly stated reasons will be provided for each.

66. The lead Cabinet Member (or officer to whom this work is delegated) should ensure that other organisations to whom recommendations have been directed are contacted and that their response to those recommendations is included in the report.

67. A further report will be sought by the Commission six months after the Cabinet response has been received, giving an update on progress with implementation of the recommendations.

Appendices

Appendix 1: written evidence

Shared services – definition and models of delivery – powerpoint presentation, Sophie Ellis, Assistant Director of Business Improvement, 27 May 2015
List of Merton Shared Services – snapshot May 2015
Shared services and commissioning, policy briefing 10, Centre for Public Scrutiny, May 2011
Extract from 4 Borough Shared Legal Services: close down report
Email from Yvette Stanley, Director of Children, Schools and Families, June 2015

Appendix 2: list of oral evidence

Witnesses at task group meetings:
Sophie Ellis, Assistant Director of Business Improvement, 2 April, 27 May 2015 and 6 July 2015
Dean Shoesmith, Joint Head of Human Resources, 27 May 2015
Paul Evans, Assistant Director Corporate Governance, 27 May 2015
John Hill, Head of Public Protection, 27 May 2015
Paul Foster, Head of the Regulatory Services Partnership, 27 May 2015

Witnesses at discussion meetings
Anthony Hopkins, Head of Library & Heritage Services, 8 June 2015
Chris Lee, Director of Environment and Regeneration, 10 June 2015
Simon Williams, Director of Community and Housing, 10 June 2015
James McGinlay, Head of Sustainable Communities, 15 June 2015
Gareth Young, Business Partner C&H, 15 June 2015

LBM Shared Services –Snapshot May 2015 (revised)

Service Area	Arrangement	Governance
Children & young people		
Adoption recruitment	Pooled resources - LBRuT, RBK, LBS, LBM	Sponsoring Group - Directors of the four agencies . Strategic Board – heads of service. Operational Group – team managers.
School governors	shared management agreement- LBM, LBS LBM is host authority and invoices Sutton for the agreed costs	The authorised officers for the service are: LB Merton: Head of School Improvement LB Sutton: Head of Improvement and Support. There are no elected members involved
School admissions service	Shared - LBM, LBS LBM is host authority	No joint governance board as such. The School Admissions Manager works within the line management of Merton when here (reporting to Service Manager - Contracts & School Organisation), and that of Sutton Executive Head of Education & Early Intervention when there
Travellers education service	Shared - LBM, LBS Sutton is host authority	TBC
Out of hours children's social care duty service	4 boroughs. Hosted by Sutton	Operational board at service manager level with escalations through Assistant Directors
Adult social care		
Shared Social Care Emergency Duty System	Joint working arrangement - LBM, LBR, LBS, RBK Richmond is the Host Authority The contract has not been reviewed since its inception No staff were TUPE'd, staff formally work for London Borough of Richmond Arrangement not open for new member to join	TBC

Service Area	Arrangement	Governance
HR		
Organisational development	Shared - LBM, LBS LBS is host authority In October 2009 Merton HR employees TUPE'd to Sutton.	Joint Governance Board with chief executives under collaboration agreement
HR management	Shared - LBM, LBS LBS is host authority In October 2009 Merton HR employees TUPE'd to Sutton.	Joint Governance Board with chief executives under collaboration agreement
Other HR functions	Shared - LBM, LBS LBS is host authority In October 2009 Merton HR employees TUPE'd to Sutton.	Joint Governance Board with chief executives under collaboration agreement
Payroll IT system	Shared - LBM, LBR, LBS, RBK LBS is host authority In October 2009 Merton HR employees TUPE'd to Sutton.	Joint Governance Board with directors under collaboration agreement
Governance		
Legal	collaboration agreement - LBM, LBR, LBS, RBK LBM is host authority The shared service continues until termination provisions are implemented in accordance with the agreement. Staff are TUPE'd – work for LBM	Governance Board which comprises of the Director of Corporate Services from Merton, the Director of Finance and Corporate Services from Richmond, the Director of Resources from Sutton and the Executive Head of Organisational Development and Strategic Business from Kingston. The Assistant Director of Corporate Governance and Joint Head of Legal Services from Merton and the Monitoring Officer from Kingston are required to attend but do not have a vote. There are no councillors on the Governance Board.
Internal audit	In-house There is a proposal to join LBR & RBK by end 2015	n/a

Service Area	Arrangement	Governance
Finance		
Pensions IT system	LBM purchase them from LB Wandsworth, as part of a contractual delegation under S.101 of the 1972 Local Government Act	Managed by LBM as a commissioned service
Pensions service		
Bailiffs service	Joint working arrangement - LBM, LBS LBM staff only Sutton pays a contribution to cover running costs and share surplus (note this is a self financed service) Rolling contract with minimum notice time to drop out Arrangement is open to new member (but it will require a re-negotiation of the redistribution of the surplus)	The board is comprised of Director of Corporate Services for both Councils and Head of Revenues and Benefits for both
Environment		
Transportation	Shared - LBM hosts service for LBS	The Transport section are in the process of tendering for a shared Taxi framework with Sutton, Richmond and Kingston (Sutton leading). That framework will be in place later this summer for to allow call off of new SEN Home To School contracts by the beginning of the school term.

Service Area	Arrangement	Governance
Regulatory services (ie Environmental Health/Trading Standards and Licensing)	Shared service currently consisting of LBM and LBR and operational since August 1st 2014. Service hosted and led by Merton. LBR staff TUPE'd	The governance for the shared regulatory service consists of (1) a management board and (2) a joint regulatory committee. The management board consists of me, John Hill and Jon Freer (an AD at Richmond). The Joint Regulatory Committee consists of four councillors, two from each Council. The make-up is as follows: <u>Richmond</u> • Cllr Pamela Fleming – Strategic Cabinet Member for Environment, Business and Community • Cllr Rita Palmer – Chairman of the Licensing Committee <u>Merton</u> • Cllr Judy Saunders – Cabinet Member for Environmental Cleanliness and Parking • Cllr Nick Draper – Cabinet Member for Community & Culture

Service Area	Arrangement	Governance
Building Design Consultancy Framework	Shared - LBM, LBR, LBS	Not currently in place. Something similar has been set up by an individual authority in London but it is an arms length company due to potential conflict of interest issues

Service Area	Arrangement	Governance
South London Waste Partnership	**Disposal - jointly procured disposal contracts**. Phase A, delivering cost effective waste disposal contracts. Phase B the procurement of a longer term more sustainable waste disposal solution diverting residual waste from landfill. **Environmental services Phase C** a joint procurement for a number of environmental services, namely: ➢ Waste Collection and recycling ➢ Commercial waste ➢ Street Cleaning ➢ Winter Maintenance ➢ Vehicle Maintenance ➢ Green spaces, principally grounds maintenance	legally binding inter authority agreement between LBM, LBS, RBK, LBC The governance structure for the partnership currently comprises of: Management Group (MG). Lead officers from each authority and chaired on an annual rotational bases. This is supported by both strategic, and project management roles employed by the Partnership. Joint Waste Committee (JWC) this is made up of Cabinet and Executive Members from each of the 4 boroughs. This group is responsible for all key decisions made on behalf of the Partnership, relating to Waste Disposal functions delegated by the individual boroughs to the Committee. The Joint Procurement of waste collection and other environmental services is overseen by the SLWP Strategic Steering Group (SSG), comprised of the four boroughs' Environment Directors, A representative of the four boroughs' Financial Directors and currently chaired by the Chief Executive of Merton (the Chair role rotates on an annual basis every June)

Service Area	Arrangement	Governance
Wandle Valley Regional Park CE	LBM, LBW, LBS, LBC Arm-length body	WVRPT is not a shared service. We have two members who are trustees of the Trust but they do not represent the authority in itself, albeit that they are nominated to serve on the trust by LBM under the current governance arrangements. There are a number of trustees of the Trust who represent the four constituent local authorities (two per Borough) and a number of other relevant organisations, including the National Trust, the Environment Agency, the Wandle Forum and others