

**CABINET**

**Shared Services Programme – Memorandum of Understanding  
4 October 2011**

**Report of Chief Executive**

**PURPOSE OF REPORT**

To report to Cabinet on the signing of a Memorandum of Understanding between the City Council and Lancashire County Council setting out the intention to work together in partnership with OneConnect Limited, the strategic partnership established between Lancashire County Council and BT.

<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>	<b>Referral from Officers</b>	<input checked="" type="checkbox"/>
<b>Date Included in Forward Plan</b>	N/A				
<b>This report is public</b>					

**OFFICER RECOMMENDATIONS:**

- 1 That Cabinet notes the signing of the Memorandum of Understanding between the City Council and Lancashire County Council as a commitment between the two Authorities to work towards a partnership to deliver the shared services as identified in the Memorandum of Understanding**

**REPORT**

- 1 At its meeting on the 26 July 2011, Cabinet was informed that, Lancashire County Council and BT have jointly formed a company called OneConnect Limited to undertake the work of the Strategic Partnership.
2. As reported to Cabinet on the 19 April, the benefits from the Strategic Partnership could be significant and, therefore, Lancaster City Council had previously agreed to add its name to the OJEU notice.
3. The meeting in July was advised that the services currently being progressed by the City Council through OneConnect Limited are ICT, Customer Access and an HR/Payroll system. The HR/Payroll system has dropped out of the draft and will be pursued in other ways.

4. A Memorandum of Understanding (**Appendix A**) has been produced which, whilst not legally binding, has been signed by the Chief Executives of Lancaster City Council and Lancashire County Council to demonstrate the commitment between the two Authorities to work together through the Strategic Partnership to deliver the services identified in 3. above.
5. Cabinet are asked to note the signing of the Memorandum of Understanding.

## **2.0 Options and Options Analysis ( including risk analysis )**

To note the progress being made in respect of service areas identified in the Memorandum of Understanding and to receive reports back to Cabinet as appropriate to meet any decision-making deadlines and to ensure that any service improvements and efficiencies are considered as part of the budget exercise

### **RELATIONSHIP TO POLICY FRAMEWORK**

The efficiencies delivered from developing a shared service programme will greatly assist in achieving the outcomes of the council's savings and efficiency programme and targets included in the Medium Term Financial Strategy.

It will also support the council's Corporate Plan priorities for working closely with other partner organisations to deliver improved benefits for the Lancaster district community.

### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability etc)**

The use of business cases to develop options will ensure that benefits identified for introducing shared services will be sustainable and achievable.

### **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising at this stage, although the progression of the shared service programme seeks to deliver further service efficiencies and/or cashable savings in future. Details of the financial implications and any savings will need to be appraised and reported to Cabinet prior to it taking any final decisions on entering any formal, legally binding arrangement, however.

### **OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

N/A

**Information Services:**

N/A

**Property:**

N/A

**Open Spaces:**

N/A

**SECTION 151 OFFICER'S COMMENTS**

At the time of commenting on this report, the Memorandum of Understanding had not been finalised. Wording has been suggested, however, that would ensure the resource / financial implications and future cost reduction strategy information is available in good time to support final decision-making.

**LEGAL IMPLICATIONS**

Legal Services have been consulted and there are no legal implications directly arising from this report.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted.

**BACKGROUND PAPERS**

Previous Shared Services Programme  
Cabinet Reports and Minutes

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